

Union Calendar No. 585

116TH CONGRESS }
2d Session

HOUSE OF REPRESENTATIVES

{ REPORT
116-702

REPORT ON THE ACTIVITIES
OF THE
COMMITTEE ON SMALL BUSINESS
116TH CONGRESS



DECEMBER 29, 2020.—Committed to the Committee of the Whole House
on the State of the Union and ordered to be printed

U.S. GOVERNMENT PUBLISHING OFFICE

42-804

WASHINGTON : 2020

LETTER OF TRANSMITTAL

HOUSE OF REPRESENTATIVES,
COMMITTEE ON SMALL BUSINESS,
Washington, DC, December 29, 2020.

Hon. NANCY PELOSI,
Speaker, House of Representatives,
Washington, DC.

DEAR SPEAKER PELOSI: In accordance with Rule XI(1)(d)(1) of the Rules of the House of Representatives, I respectfully submit the activities report of the Committee on Small Business for the 116th Congress.

Sincerely,

NYDIA M. VELÁZQUEZ,
Chairwoman.

CONTENTS

	Page
Letter of Transmittal	III
Jurisdiction of the Committee	1
Rules of the Committee	1
Membership and Organization of the Committee	15
Authorization and Oversight Plan	17
Legislative Activities	25
Oversight Summary	63
Part A—Full Committee Hearings	63
Part B—Subcommittee Hearings	97
Part C—Waste, Fraud, Abuse, and Mismanagement	131
Part D—Implementation of Oversight Plan	135

Union Calendar No. 585

116TH CONGRESS 2d Session	HOUSE OF REPRESENTATIVES	REPORT 116-702
------------------------------	--------------------------	-------------------

REPORT ON THE ACTIVITIES OF THE COMMITTEE ON SMALL BUSINESS FOR THE 116TH CONGRESS

DECEMBER 29, 2020.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

Ms. VELÁZQUEZ, from the Committee on Small Business,
submitted the following

R E P O R T

Clause 1(d) of rule XI of the Rules of the House of Representatives for the 116th Congress requires that each standing committee, not later than January 2nd of each odd-numbered year, submit to the House a report on the activities of that Committee, including separate sections summarizing the legislative and oversight activities of that Committee.

JURISDICTION AND SPECIAL OVERSIGHT FUNCTION

Clause 1(q) of rule X of the Rules of the House of Representatives of the 116th Congress sets forth the jurisdiction of the Committee on Small Business as follows—

(1) Assistance to and protection of small business, including financial aid, regulatory flexibility, and paperwork reduction.

(2) Participation of small-business enterprises in Federal procurement and Government contracts.

Clause 3(l) of rule X of the Rules of the House of Representatives for the 116th Congress sets forth the Special Oversight Function of the Committee on Small Business as follows—

The Committee on Small Business shall study and investigate on a continuing basis the problems of all types of small business.

RULES OF THE COMMITTEE ON SMALL BUSINESS

ONE HUNDRED SIXTEENTH CONGRESS

1. GENERAL PROVISIONS

(A) Rules of the Committee. The Rules of the House of Representatives, in total (but especially with respect to the operations

of committees Rule X, cl. 1(q), cl. 2, cl. 3(l), and Rule XI), are the rules of the Committee on Small Business (“Committee”) to the extent applicable and are incorporated by reference.

(B) Appointments by the Chair. Pursuant to the Rules of the House, the Chair shall designate a Member of the Committee Majority to serve as Vice Chair of the Committee. The Vice Chair shall preside at any meeting or hearing during the temporary absence of the Chair. The Chair also reserves the right to designate a Member of the Committee Majority to serve as the Chair at a hearing or meeting.

2. REFERRAL OF BILLS BY THE CHAIR

(A) The Chair will retain consideration of all legislation referred to the Committee by the Speaker. No action will be required of a Subcommittee before legislation is considered for report by the Committee. Subcommittee chairs, pursuant to the rules set out herein, may hold hearings on any bill referred to the Committee.

3. SUBCOMMITTEES

(A) Generally. Each Subcommittee of the Committee is part of the Committee and is subject to the authority and direction of the Committee, and to the Rules of the House and the rules adopted herein, to the extent applicable. The Chairman and Ranking Member of the Committee are *ex officio* Members of all Subcommittees for the purpose of any meeting conducted by a Subcommittee.

(B) The Committee shall be organized into the following five subcommittees:

(1) Subcommittee on Rural Development, Agriculture, Trade, and Entrepreneurship

This Subcommittee (which will consist of six (6) Democratic Members and four (4) Republican Members) will address policies that enhance rural economic growth, increasing America’s energy independence and ensuring that America’s small businesses can compete effectively in a global marketplace.

- Oversight of agricultural policies.
- Oversight of environmental issues and regulations (including agencies such as the Environmental Protection Agency and the Army Corps of Engineers).
- Oversight of energy issues, including expansion of domestic resources, whether they are renewable or non-renewable.
- Oversight of international trade policy with particular emphasis on agencies that provide direct assistance to small businesses, such as: the Small Business Administration’s (SBA) Office of International Trade, the Department of Commerce’s United States Export Assistance Centers, the Department of Agriculture’s Foreign Agricultural Service, and the Export-Import Bank.
- Oversight of infringement of intellectual property rights by foreign competition.
- Oversight of SBA entrepreneurial development programs, including Small Business Development Centers, Women’s Business Centers, Veteran Business Outreach Centers, and SCORE.

(2) Subcommittee on Innovation and Workforce Development

This Subcommittee (which will consist of six (6) Democratic Members and four (4) Republican Members) will address how innovation promotes economic growth and job creation by small businesses. In addition, the Subcommittee will examine small business job growth through the creation and adoption of advanced technologies. The Subcommittee will review the broad scope of workforce issues that affect the ability of small businesses to obtain and maintain qualified employees.

- Oversight of all federal policies that affect the workforce including, but not limited to, the roles of the Department of Labor and the National Labor Relations Board.
- Oversight of workforce issues, including but not limited to health care, retirement, and labor challenges facing small businesses.
- Oversight of general technology issues, including intellectual property policy in the United States.
- Oversight of United States telecommunications policies including, but not limited to, the National Broadband Plan and allocation of electromagnetic spectrum.
- Oversight of the Small Business Innovation Research Program.
- Oversight of the Small Business Technology Transfer Program.

(3) Subcommittee on Economic Growth, Tax, and Capital Access

This Subcommittee (which will consist of six (6) Democratic Members and four (4) Republican Members) will evaluate the operation of the financial markets in the United States and their ability to provide needed capital to small businesses. In addition, the Subcommittee will review federal programs, especially those overseen by the SBA, aimed at assisting entrepreneurs in obtaining needed capital. Since the tax policy plays an integral role in access to capital, this Committee also will examine the impact of federal tax policies on small businesses.

- Oversight of capital access and financial markets.
- Implementation of the Dodd-Frank Wall Street Reform and Consumer Protection Act.
- SBA financial assistance programs, including guaranteed loans, microloans, certified development company loans, and small business investment companies.
- Oversight of the Department of Agriculture business and industry guaranteed loan program.
- Oversight of general tax policy affecting small businesses.
- The management of the SBA disaster loan program.

(4) Subcommittee on Investigations, Oversight, and Regulations

This Subcommittee (which will consist of six (6) Democratic Members and four (4) Republican Members) will probe the efficient operation of government programs that affect small businesses, including the SBA, and develop proposals to make them operate in a more cost-effective manner. This Subcommittee also will review the regulatory burdens imposed on small businesses and how those burdens may be alleviated.

- Oversight of general issues affecting small businesses and federal agencies.

- Oversight of the management of the SBA.
- Oversight of the SBA Inspector General.
- Implementation of the Regulatory Flexibility Act.
- Oversight of the Office of Information and Regulatory Affairs at the Office of Management and Budget.
- Use of the Congressional Review Act.
- Transparency of the federal rulemaking process as required by the Administrative Procedure and Data Quality Acts.
- Implementation of the Paperwork Reduction Act.

(5) Subcommittee on Contracting and Infrastructure

This Subcommittee (which will consist of six (6) Democratic Members and four (4) Republican Members) will assess the federal procurement system, including those programs designed specifically to enhance participation by small businesses in providing goods and services to the federal government. The Subcommittee will review the broad scope of opportunities available to small businesses for rebuilding and modernizing the nations' infrastructure.

- Oversight of government-wide procurement practices and programs affecting small businesses.
- Oversight of federal procurement policies that inhibit or expand participation by small businesses in the federal contracting marketplace.
- All contracting programs established by the Small Business Act, including HUBZone, 8(a), Women-, and Service Disabled Veteran-Owned Small Business Programs.
- Technical assistance provided to federal contractors and prospective contractors through SBA personnel, Offices of Small and Disadvantaged Business Utilization, and Procurement Technical Assistance Centers.
- The SBA Surety Bond guarantee program.
- General oversight of programs available to small businesses in modernizing and strengthening the nation's infrastructure.

(C) Powers and Duties of Subcommittees. Each Subcommittee is authorized to meet, hold hearings, receive evidence, and report to the Committee on any matters referred to it. Prior to the scheduling of any meeting or hearing of a Subcommittee, the Chair of the Subcommittee shall obtain the approval of the Chair of the Committee.

(D) Hearing Time and Date. No hearing or meeting of a Subcommittee shall take place at the same time as the meeting or hearing of the full Committee or another Subcommittee, *provided however*, that the Subcommittee Chairs may hold field hearings that conflict with those held by other Subcommittees of the Committee.

4. COMMITTEE STAFF

(A) Majority Staff. The employees of the Committee, except those assigned to the Minority as provided below, shall be appointed and assigned, and may be removed by the Chair of the Committee. The Chair shall fix their remuneration and they shall be under the general supervision and direction of the Chair.

(B) Minority Staff. The employees of the Committee assigned to the Minority shall be appointed and assigned, and their remunera-

tion determined, as the Ranking Minority Member of the Committee shall decide.

(C) Subcommittee Staff. There shall be no separate staff assigned to Subcommittees. The Chair and Ranking Minority Member shall endeavor to ensure that sufficient Committee staff is made available in order that each Subcommittee may carry out the responsibilities set forth in Rule 3, *supra*.

5. MEETINGS

(A) Regular Meetings. The regular meeting day of the Committee shall be the second Wednesday of every month when the House is in session. The Chair may dispense with the meeting of the Committee, if in the sole discretion of the Chair, there is no need for such meeting.

(B) Additional Meetings. Additional meetings may be called as deemed necessary by the Chair or at the request of the majority Members of the Committee pursuant to Rule XI, cl. 2(c) of the rules of the House. At least 3 days' notice, pursuant to Rule XI, cl. 2(g)(3)(A), of such an additional meeting shall be given unless the Chair, with the concurrence of the Ranking Minority Member, determines that there is good cause to call the meeting on less notice or upon a vote by a majority of the Committee (a quorum being present). Announcements of the meeting shall be published promptly in the Daily Digest and made publicly available in electronic form.

(C) Business to be Considered. The determination of the business to be considered at each meeting shall be made by the Chair subject to limitations set forth in House Rule XI, cl. 2(c).

(D) Meeting Materials. The Chair shall provide to each Member of the Committee, to the extent practicable, at least 48 hours in advance of a meeting, a copy of the bill, resolution, report or other item to be considered at the meeting, but no later than 24 hours before the meeting. Such material also shall be made available to the public at least 24 hours in advance in electronic form.

(E) Special and Emergency Meetings. The rules for notice and meetings as set forth in Rule 5 of these Rules shall not apply to special and emergency meetings. Clause 2(c)(2) of Rule XI and clause 2(g)(3)(A) of Rule XI of the Rules of the House, as applicable, shall apply to such meetings.

6. NOTICE AND ANNOUNCEMENT OF HEARINGS

(A) Announcement of Hearings. Public announcement of the date, place, and subject matter of any hearing to be conducted by the Committee shall be made no later than seven (7) calendar days before the commencement of the hearing. To the extent possible, the seven days shall be counted from 168 hours before the time of the Committee's hearing.

(B) Exception. The Chair, with the concurrence of the Ranking Minority Member, or upon a vote by the majority of the Committee (a quorum being present), may authorize a hearing to commence on less than 7 days' notice.

(C) Witness Lists. Unless the Chair determines it is impracticable to do so, the Committee shall make a tentative witness list available at the time it makes the public announcement of the hearing. If a tentative witness list is not made available at the

time of the announcement of the hearing, such witness list shall be made available as soon as practicable after such announcement is made. A final witness list shall be issued by the Committee no later than 48 hours prior to the commencement of the hearing.

(D) Hearing Material. The Chair shall provide to all Members of the Committee, as soon as practicable after the announcement of the hearing, a memorandum explaining the subject matter of the hearing and any official reports from departments and agencies on the subject matter of the hearing. Such material shall be made available to all Members of the Committee no later than 48 hours before the commencement of the hearing, unless the Chair, after consultation with the Ranking Minority Member, determines that certain reports from departments or agencies should not be made available prior to the commencement of the hearing. Material provided by the Chair to all Members, whether provided prior to or at the hearing, shall be placed on the Committee website no later than 48 hours after the commencement of the hearing, unless such material contains sensitive or classified information, in which case such material shall be handled pursuant to Rule 16 of the Committee's Rules.

7. MEETINGS AND HEARINGS OPEN TO THE PUBLIC

(A) Meetings. Each meeting of the Committee or its Subcommittees for the transaction of business, including the markup of legislation, shall be open to the public, including to radio, television, and still photography coverage, except as provided by House Rule XI, cl. 4. If the majority of Members of the Committee or Subcommittee present at the meeting determine by a recorded vote in open session that all or part of the remainder of the meeting on that day shall be closed to the public because the disclosure of matters to be considered would endanger national security, would compromise sensitive law enforcement information, or would tend to defame, degrade, or incriminate any person or otherwise would violate any law or rule of the House; *provided however*, that no person other than Members of the Committee, and such congressional staff and such executive branch representatives they may authorize, shall be present in any meeting which has been closed to the public.

(B) Hearings. Each hearing conducted by the Committee or its Subcommittees shall be open to the public, including radio, television and still photography coverage. If the majority of Members of the Committee or Subcommittee present at the hearing determine by a recorded vote in open session that all or part of the remainder of the hearing on that day shall be closed to the public because the disclosure of matters to be considered would endanger national security, would compromise sensitive law enforcement information, or would tend to defame, degrade, or incriminate any person or otherwise would violate any law or rule of the House; *provided however*, that the Committee or Subcommittee may by the same procedure also vote to close one subsequent day of hearings. Notwithstanding the requirements of the preceding sentence, a majority of those present (if the requisite number of Members are present under Committee rules for the purpose of taking testimony) may vote: (i) to close the hearing for the sole purpose of discussing whether the testimony or evidence to be received would en-

danger the national security, would compromise sensitive law enforcement information, or violate Rule XI, cl. 2(k)(5) of the House or (ii) to close the hearing, as provided clause 2(k)(5) of Rule XI of the House.

(C) Participation in Subcommittee Hearings. The Chair and Ranking Minority Member are *ex officio* Members of all Subcommittees for any hearing conducted by a Subcommittee. Members of the Committee who wish to participate in a hearing of the Subcommittee to which they are not Members shall make such request to the Chair and the Ranking Minority Member of the Subcommittee at the commencement of the hearing. The Chair, after consultation with the Ranking Minority Member of the Subcommittee, shall grant such request.

(D) Non-Participatory Attendance by Other Members of the House. No Member of the House may be excluded from non-participatory attendance at any hearing of the Committee or any Subcommittee, unless the House of Representatives shall by majority vote authorize the Committee or Subcommittees, for purposes of a particular subject of investigation, to close its hearing to Members by the same procedures designated to close hearings to the public.

(E) Procedure to Participate. Members of Congress who are not Members of the Committee but would like to participate in a hearing shall notify the Chair and the Ranking Minority Member and submit a formal request no later than 24 hours before the commencement of the meeting or hearing. Such Member may not vote on any matter; be counted for the purpose of establishing a quorum; participate in questioning a witness under the 5-Minute rule, unless permitted to do so by the Chair in consultation with the Ranking Minority Member; raise points of order; or offer amendments or motions.

(F) Audio and Video Coverage. To the maximum extent practicable, the Committee shall provide audio and video coverage of each hearing or meeting for the transaction of business in a manner that allows the public to easily listen and view the proceedings and shall maintain the recordings of such coverage in a manner easily accessible to the public. Operation and use of any Committee internet broadcast system shall be fair and nonpartisan, and in accordance with clauses 4 (b) and (f) of House Rule XI and all other applicable rules of the Committee and the House.

8. WITNESSES

(A) Number of Witnesses. For any hearing conducted by the Committee or Subcommittee there shall be no more than four non-governmental witnesses of which the Ranking Minority Member of the Committee or Subcommittee (as appropriate) is entitled to select one witness for the hearing.

(B) Witnesses Selected by the Minority. Witnesses selected by the Ranking Minority Member of the Committee or Subcommittee shall be invited to testify by the Chair of the Committee or Subcommittee (as appropriate). Rule 6(A) shall apply with equal force to witnesses selected by the Ranking Minority Member of the Committee or Subcommittee.

(C) Small Business Week Exception. The limitations set forth in the preceding paragraph shall not apply if the Committee holds a

hearing to honor the work of the small business community in conjunction with the annual celebration of Small Business Week. Witness limitations for such a hearing shall be determined by the Chair in consultation with the Ranking Minority Member.

(D) Statement of Witnesses.

(1) Insofar as is practicable, each witness who is to appear before the Committee or Subcommittee shall file an electronic copy of the written testimony with the Committee and the Ranking Minority Member no later than 48 hours before the commencement of the hearing. In addition, the witness shall provide 25 copies of the written testimony by the commencement of the hearing. The Chair may waive the requirement by the witness providing 25 copies in which case the Committee or Subcommittee shall provide the 25 copies.

(2) Each witness shall limit his or her oral presentation to a five-minute summary of the written testimony, unless the Chair in consultation with the Ranking Minority Member extends this time period.

(3) Insofar as is practicable, each non-governmental witness shall provide to the Committee and the Ranking Minority Member, no later than 48 hours before the commencement of the hearing, a curriculum vitae or other statement describing their education, employment, professional affiliation or other background information pertinent to their testimony.

(E) Witness Disclosure. As required by Rule XI, cl. 2(g) of the Rules of the House, each non-governmental witness before the commencement of the hearing shall file with the Chair a disclosure form detailing any contracts or grants that the witness has with the federal government, as well as the amount and country of origin of any payment or contract related to the subject of the hearing originating with a foreign government. Such information shall be posted on the Committee website within 24 hours after the witness appeared at the hearing.

(F) Failure to Comply. The failure to provide the materials set forth by the deadlines set forth in these rules may be grounds for excluding both the oral and written testimony of the witness unless waived by the Chair of the Committee or Subcommittee.

(G) Public Access to Witness Materials. The Committee will provide public access to printed materials, including the testimony of witnesses in electronic form on the Committee's website no later than 24 hours after the hearing is adjourned. Supplemental material provided after the hearing adjourns shall be placed on the Committee website no later than 24 hours after receipt of such material.

(H) Questioning of Witnesses. Except when the Committee adopts a motion pursuant to subdivisions (B) and (C) of clause 2(i)(2) of Rule XI of the Rules of the House, Committee Members may question witnesses only when they have been recognized by the Chair for that purpose. Members shall have the opportunity, as set forth in Rule XI, cl. 2 (j) of the Rules of the House, to question each witness on the panel for a period not to exceed five minutes. For any hearing, the Chair of the Committee or Subcommittee may offer a motion to extend the questioning of a witness or witnesses by the Member identified in the motion for more than five minutes as set forth in Rule XI, cl. 2(j)(B). No Member may be recognized

for a second period of interrogation, subject to the 5-minute rule, until each Member present, who wishes to be recognized, has been recognized at least once.

(I) Order of Questioning. The Chair of the Committee or Subcommittee shall commence questioning followed by the Ranking Minority Member. Thereafter, questioning shall alternate between the majority and minority Members. Before the gavel has been struck, or in the case of Members arriving simultaneously, the order of questioning shall be based on seniority among Members of his or her own party. After the gavel has been struck, Members first to arrive shall have priority over Members of his or her own party. Members of Congress who are not Members of the Committee, if allowed by the Chair, may be recognized for questioning of witnesses but only after all Committee Members have first been recognized.

(J) Consideration of Ratio. In recognizing Members to question witnesses, the Chair may take into consideration the ratio of majority and minority Members present in such a manner as to not disadvantage the Members of either party.

9. QUORUM

(A) Determining a Quorum. A quorum, for purposes of reporting a measure or recommendation, shall be a majority of the Committee Members.

(B) Quorum for a Hearing. For purposes of taking testimony or receiving evidence, a quorum shall be one Member from the Majority and one Member from the Minority. The Chair of the Committee or Subcommittee shall exercise reasonable comity by waiting for the Ranking Minority Member even if a quorum is present before striking the gavel to commence the hearing. For hearings held by the Committee or a Subcommittee in a location other than the Committee's hearing room in Washington, DC, a quorum shall be deemed to be present if the Chair of the Committee or Subcommittee is present.

10. RECORD VOTES

(A) When Provided. A record vote of the Committee shall be provided on any question before the Committee upon the request of any Member of the Committee. A record of the vote of each Member of the Committee on a matter before the Committee shall be available in electronic form within 48 hours of such record vote, and, with respect to any roll call vote on any motion to amend or report, shall be included in the report of the Committee showing the total number of votes cast for and against and the names of those Members voting for and against.

(B) Proxy Voting. No vote by any member of the Committee with respect to any measure or matter may be cast by proxy.

(C) Public Access to Record Votes. The Chair of the Committee shall, not later than 24 hours after consideration of a bill, resolution, report or other item, cause the text of the reported item and any amendment adopted thereto to be made publicly available in electronic form.

11. SUBPOENAS

(A) Authorization and Issuance. A subpoena may be authorized and issued by the Committee in the conduct of any investigation or series of investigations or activities to require the attendance and testimony of such witness and the production of such books, records, correspondence, memoranda, papers and documents, as deemed necessary. Such subpoena shall be authorized by a majority of the full Committee. The requirement that the authorization of a subpoena require a majority vote may be waived by the Ranking Minority Member of the Committee.

(B) Issuance During Congressional Recess. The Chair may issue a subpoena, in consultation with the Ranking Minority Member, when the House is out for session for more than three legislative days.

12. AMENDMENTS DURING MARKUP

(A) Availability of Amendments. Any amendment offered to any pending legislation before the Committee must be made available in written form by any Member of the Committee. If such amendment is not available in written form when requested, the Chair shall allow an appropriate period for the provision thereof and may adjourn the markup to provide sufficient time for the provision of such written amendment. Such period or adjournment shall not prejudice the offering of such amendment.

(B) Drafting and Filing of Amendments. For amendments to be accepted during markup, there is no requirement that the amendments be filed prior to commencement of the markup or prepared with the assistance of the Office of Legislative Counsel. Even though it is not necessary, Members seeking to amend legislation during markup should draft amendments with the assistance of the Office of Legislative Counsel and consult with the Chair or Ranking Minority Member's staff (as appropriate) in the preparation of such amendments.

13. POSTPONEMENT OF PROCEEDINGS

(A) When Postponement is Permissible. The Chair, in consultation with the Ranking Minority Member, may postpone further proceedings when a record vote is ordered on the question of approving any measure or matter or adopting an amendment. The Chair may resume postponed proceedings, but no later than 24 hours after such postponement, unless the House is not in session or there are conflicts with Member schedules that make it unlikely a quorum will be present to conduct business on the postponed proceeding. In such cases, the Chair will consult with Members to set a time as early as possible to resume proceedings but in no event later than the next meeting date as set forth in Rule 5 of these Rules.

(B) Resumption of Proceedings. When proceedings resume on a postponed question, notwithstanding any intervening order for the previous question, an underlying proposition shall remain subject to further debate or amendment to the same extent as when the question was postponed.

14. COMMITTEE RECORDS

(A) The Committee shall keep a complete record of all actions, which shall include a record of the votes on any question on which a recorded vote is demanded. The result of any vote by the Committee, or if applicable by a Subcommittee, including a voice vote shall be posted on the Committee's website within 24 hours after the vote has been taken. Such record shall include a description of the amendment, motion, order, or other proposition, the name of the Member voting for and against such amendment, motion, order, or other proposition, and the names of Members present but not voting. For any amendment, motion, order, or other proposition decided by voice vote, the record shall include a description and whether the voice vote was in favor or against.

(B) Transcripts. The Committee shall keep a complete record of all Committee and Subcommittee activity which, in the case of a meeting or hearing transcript, shall include a substantially verbatim account of the remarks actually made during the proceedings subject only to technical, grammatical, and typographical corrections authorized by the person making the remarks.

(C) Availability of Records. The records of the Committee at the National Archives and Records Administration shall be made available in accordance with Rule VII of the Rules of the House. The Chair of the Committee shall notify the Ranking Member of the Committee of any decision, pursuant to Rule VII, cl. 3(b)(3) or cl. 4 (b), to withhold a record otherwise available, and the matter shall be presented to the Committee for a determination of the written request of any Member of the Committee.

(D) Publishing and Posting of Records. The Committee Rules shall be made publicly available in electronic form and published in the Congressional Record not later than 60 days after the Chair of the Committee is elected in each odd-numbered year.

15. COMMITTEE WEBSITE

(A) The Chair shall maintain an official Committee website for the purpose of furthering the Committee's legislative and oversight responsibilities, including communicating information about Committee's activities to Committee Members and other Members of the House. The Ranking Minority Member may maintain a similar website for the same purpose, including communicating information about the activities of the Minority to Committee Members and other Members of the House.

16. ACCESS TO CLASSIFIED OR SENSITIVE INFORMATION

(A) Access to classified or sensitive information supplied to the Committee or Subcommittees and attendance at closed sessions of the Committee or a Subcommittee shall be limited to Members and necessary Committee staff and stenographic reporters who have appropriate security clearance when the Chair determines that such access or attendance is essential to the functioning of the Committee or one of its Subcommittees.

(B) Procedures Governing Availability. The procedures to be followed in granting access to those hearings, records, data, charts, and files of the Committee which involve classified information or information deemed to be sensitive shall be as follows:

(1) Only Members of the House of Representatives and specifically designated Committee staff of the Committee on Small Business may have access to such information.

(2) Members who desire to read materials that are in possession of the Committee shall notify the Clerk of the Committee in writing.

(3) The Clerk of the Committee will maintain an accurate access log, which identifies the circumstances surrounding access to the information, without revealing the material examined.

(4) If the material desired to be reviewed is material which the Committee or Subcommittee deems to be sensitive enough to require special handling, before receiving access to such information, individuals will be required to sign an access information sheet acknowledging such access and that the individual has read and understands the procedures under which access is being granted.

(5) Material provided for review under this rule shall not be removed from a specified room within the Committee offices.

(6) Individuals reviewing materials under this rule shall make certain that the materials are returned to the proper custodian.

(7) No reproductions or recordings may be made of any portion of such materials.

(8) The contents of such information shall not be divulged to any person in any way, form, shape, or manner and shall not be discussed with any person who has not received the information in the manner authorized by the rules of the Committee.

(9) When not being examined in the manner described herein, such information will be kept in secure safes or locked file cabinets within the Committee offices.

(10) These procedures only address access to information the Committee or Subcommittee deems to be sensitive enough to require special treatment.

(11) If a Member of the House of Representatives believes that certain sensitive information should not be restricted as to dissemination or use, the Member may petition the Committee or Subcommittee to so rule. With respect to information and materials provided to the Committee by the Executive Branch or an independent agency as that term is defined in 44 U.S.C. § 3502, the classification of information and materials as determined by the Executive Branch or independent agency shall prevail unless affirmatively changed by the Committee or Subcommittee involved, after consultation with the Executive Branch or independent agency.

(12) Other materials in the possession of the Committee are to be handled in the accordance with normal practices and traditions of the Committee.

17. OTHER PROCEDURES

(A) The Chair of the Committee may establish such other procedures and take such actions as may be necessary to carry out the foregoing rules or to facilitate the effective operation of the Committee.

18. AMENDMENTS TO COMMITTEE RULES

(A) The rules of the Committee may be modified, amended, or repealed by a majority vote of the Members, at a meeting specifically called for such purpose, but only if written notice of the proposed change or changes has been provided to each Member of the Committee at least 72 hours prior to the time of the meeting of the Committee to consider such change or changes.

19. BUDGET AND TRAVEL

(A) Allocation of Budget. From the amount provided to the Committee in the primary expense resolution adopted by the House of Representatives in the 116th Congress, the Chair, after consultation with the Ranking Minority Member, shall designate one-third of the budget under the direction of the Ranking Minority Member for the purposes of minority staff, travel expenses of minority staff and Members, and minority office expenses.

(B) Authorization of Travel. The Chair may authorize travel in connection with activities or subject matters under the legislative or oversight jurisdiction of the Committee as set forth in Rule X of the Rules of the House. The Ranking Minority Member may authorize travel for any Minority Member or staff of the minority in connection with activities or subject matters under the Committee's jurisdiction as set forth in Rule X of the Rules of the House. Before such travel, there shall be submitted to the Chair of the Committee in writing the following at least seven (7) calendar days prior specifying: a) the purpose of the travel; b) the dates during which the travel is to occur; c) the names of the states or countries to be visited and the length of time spent in each; and d) the names of Members and staff of the Committee participating in such travel.

**MEMBERSHIP AND ORGANIZATION
OF THE
COMMITTEE ON SMALL BUSINESS
ONE HUNDRED SIXTEENTH CONGRESS**

Committee on Small Business

(Ratio: 14–10)

Nydia Velázquez, New York, *Chairwoman*

Democrats

ABBY FINKENAUER, Iowa
JARED GOLDEN, Maine
ANDY KIM, New Jersey
JASON CROW, Colorado
SHARICE DAVIDS, Kansas
KWEISI MFUME, Maryland
JUDY CHU, California
DWIGHT EVANS, Pennsylvania, *Vice Chair*
BRAD SCHNEIDER, Illinois
ADRIANO ESPAILLAT, New York
ANTONIO DELGADO, New York
CHRISSY HOULAHAN, Pennsylvania
ANGIE CRAIG, Minnesota

Republicans

STEVE CHABOT, Ohio, *Ranking Member*
AUMUA AMATA COLEMAN RADEWAGEN,
American Samoa, *Vice Ranking Member*
TROY BALDERSON, Ohio
KEVIN HERN, Oklahoma
JIM HAGEDORN, Minnesota
PETE STAUBER, Minnesota
TIM BURCHETT, Tennessee
ROSS SPANO, Florida
JOHN JOYCE, Pennsylvania
DAN BISHOP, North Carolina

February 26, 2019—Ms. Angie Craig, Minnesota, was elected to the Committee, H. Res. 148.

September 25, 2019—Mr. Trent Kelly, Mississippi, resigned from the Committee.

September 26, 2019—Mr. Dan Bishop, North Carolina, was elected to the Committee, H. Res. 596.

May 7, 2020—Mr. Marc Veasey, Texas, resigned from the Committee.

May 8, 2020—Mr. Kweisi Mfume, Maryland, was elected to the Committee, H. Res. 954.

SUBCOMMITTEE MEMBERSHIPS

**Subcommittee on Rural Development, Agriculture, Trade, and
Entrepreneurship**

Abby Finkenauer, Iowa, *Chairwoman*

JARED GOLDEN, Maine
JASON CROW, Colorado
ANGIE CRAIG, Minnesota
NYDIA VELÁZQUEZ, New York [*Ex Officio*]

JOHN JOYCE, Pennsylvania, *Ranking Member*
AUMUA AMATA COLEMAN RADEWAGEN,
American Samoa
JIM HAGEDORN, Minnesota
DAN BISHOP, North Carolina
STEVE CHABOT, Ohio [*Ex Officio*]

Subcommittee on Innovation and Workforce Development**Jason Crow**, Colorado, *Chairman*

CHRISSY HOULAHAN, Pennsylvania	TROY BALDERSON, Ohio, <i>Ranking Member</i>
ABBY FINKENAUER, Iowa	TIM BURCHETT, Tennessee
ANDY KIM, New Jersey	KEVIN HERN, Oklahoma
SHARICE DAVIDS, Kansas	JOHN JOYCE, Pennsylvania
NYDIA VELÁZQUEZ, New York [<i>Ex Officio</i>]	STEVE CHABOT, Ohio [<i>Ex Officio</i>]

Subcommittee on Economic Growth, Tax, and Capital Access**Andy Kim**, New Jersey, *Chairman*

SHARICE DAVIDS, Kansas	KEVIN HERN, Oklahoma, <i>Ranking Member</i>
BRAD SCHNEIDER, Illinois	ROSS SPANO, Florida
ADRIANO ESPAILLAT, New York	AUMUA AMATA COLEMAN RADEWAGEN, American Samoa
ANTONIO DELGADO, New York	PETE STAUBER, Minnesota
JASON CROW, Colorado	STEVE CHABOT, Ohio [<i>Ex Officio</i>]
NYDIA VELÁZQUEZ, New York [<i>Ex Officio</i>]	

Subcommittee on Investigations, Oversight, and Regulations**Judy Chu**, California, *Chairwoman*

DWIGHT EVANS, Pennsylvania	ROSS SPANO, Florida, <i>Ranking Member</i>
ANGIE CRAIG, Minnesota	TIM BURCHETT, Tennessee
NYDIA VELÁZQUEZ, New York [<i>Ex Officio</i>]	STEVE CHABOT, Ohio [<i>Ex Officio</i>]

Subcommittee on Contracting and Infrastructure**Jared Golden**, Maine, *Chairman*

JUDY CHU, California	PETE STAUBER, Minnesota, <i>Ranking Member</i>
NYDIA VELÁZQUEZ, New York [<i>Ex Officio</i>]	JIM HAGEDORN, Minnesota
	TROY BALDERSON, Ohio
	STEVE CHABOT, Ohio [<i>Ex Officio</i>]

AUTHORIZATION AND OVERSIGHT PLAN OF THE COMMITTEE ON SMALL BUSINESS ONE HUNDRED SIXTEENTH CONGRESS

Ms. Velázquez, from the Committee on Small Business, submitted to the Committee on Oversight and Reform and the Committee on House Administration the following:

REPORT

Rule X, cl. 2(d)(1) of the Rules of the House requires each standing Committee to adopt an oversight plan for the two-year period of the Congress and to submit the plan to the Committees on Oversight and Reform and House Administration not later than March 1 of the first session of the Congress. Under Rule X, the Committee has oversight authority to investigate and examine any matter affecting small business. This Report reflects that broad oversight jurisdiction.

OVERSIGHT OF FEDERAL CAPITAL ACCESS PROGRAMS

The Committee will conduct hearings and investigations into Small Business Administration (SBA) and other federal agencies that provide capital to America's entrepreneurs that may include any or all of the following, as well as matters brought to the attention of the Committee subsequent to the filing of this Report:

- Effectiveness of the capital access programs to generate jobs in the fastest growing small businesses.
- Whether lenders are meeting their goals to lend to small businesses and create jobs.
- Adequacy of SBA oversight of its lending partners to ensure that federal taxpayers are properly protected.
- Capabilities of the SBA information technology to manage the loan portfolio.
- Whether SBA rules, regulations, and guidance result in transparent and reasoned decision making with respect to capital access programs.
- Assessment of credit-scoring algorithms as a replacement for individual credit assessment by SBA and its lending partners.
- The exercise of discretion by SBA to create pilot programs and the risk they pose to the taxpayer and whether such authority should be curtailed or eliminated.
- Whether SBA disaster loan program and its oversight ensure that small businesses are able to revive and rebuild communities.

- Review the recent change by SBA for fee waivers and the impact moving from a dollar limitation to a geographic determination will have on small businesses.
- Efficacy and duplication of federal capital access programs offered by the Department of Agriculture to small businesses in rural areas.
- Utilization by small businesses of export capital programs at the Export-Import Bank and the Overseas Private Investment Corporation.
- Study the need to enhance the 7(a) and Certified Development Company programs so that they are more effective in reaching borrowers unable to secure conventional loans.
- Analyze the Microloan program with the intent of making it more affordable for borrowers and reducing barriers to its growth.
- Examine methods to enhance equity financing to meet the needs of small business borrowers wherein debt financing is not appropriate and how SBA programs may be used to increase equity financing.
- Continued examination of the Small Business Lending Fund and State Small Business Credit Initiative established by Pub. L. No. 111–240, the Small Business Jobs Act of 2010, in creating jobs and providing capital to small businesses.
- Implementation of crowdfunding and other provisions of the Jumpstart Our Business Startups Act, Pub. L. No. 112–106.
- Continued oversight and analysis of the role that the SBA secondary market plays in small business finance and the effectiveness of changes made by SBA to the pooling program established in the Federal Register Notice of October 16, 2017.
- Review and oversight into the Master Reserve Fund at SBA.
- Implementation of program clarifications made to encourage more cooperative and employee stock ownership plan lending through SBA programs established by the Main Street Employee Ownership Act of 2018, passed into law by the John S. McCain National Defense Authorization Act for Fiscal Year 2019, Pub. L. No. 115–232.
- Implementation of changes made to increase oversight of the 7(a) loan program established by Pub. L. No. 115–189, the Small Business 7(a) Lending Oversight Reform Act of 2018.
- Examination of the Express Bridge Loan Pilot Program for disaster recovery lending for small businesses and its performance after recent disasters, such as Hurricanes Harvey, Irma, and Maria and numerous wildfires.
- Investigate franchising contracts to learn how SBA loans are being utilized, default rates, and whether small business owners are being harmed in case improvements in the SBA franchise directory can be made.
- The effectiveness of SBA in minimizing risk to the taxpayer in the SBA capital access programs.

In performing oversight, the Committee will focus on particularly risky aspects of financial assistance programs including, but not limited to, commercial real estate refinancing, premier certified

lenders, participating security small business investment companies, small business lending companies, express lenders, and loan programs utilizing simplified lending applications.

OVERSIGHT OF SBA AND OTHER FEDERAL ENTREPRENEURIAL DEVELOPMENT PROGRAMS

The Committee will conduct hearings and investigations into the SBA programs that provide training and advice to small businesses that may include any or all of the following, as well as matters brought to the attention of the Committee subsequent to the filing of this Report:

- Examining effectiveness of SBA entrepreneurial development programs in creating jobs at startups and traditional firms.
- Suggesting methods for enhancing coordination among federal agencies in aiding entrepreneurs, including, but not limited to, businesses located in underserved areas, such as rural and low-income communities and those seeking to provide goods and services in the federal procurement marketplace.
- Enhancing the efficacy and utilization of the Manufacturing Extension Partnership at the Department of Commerce, including developments in renewable energy.

OVERSIGHT OF FEDERAL GOVERNMENT CONTRACTING MATTERS

The Committee will conduct hearings and investigations into the federal procurement system that may include any or all of the following, as well as matters brought to the attention of the Committee subsequent to the filing of this Report:

- Whether fraud or other problems exist in the federal government contracting programs overseen by the SBA including the 8(a), HUBZone, service-disabled veteran, women-owned contracting, and Small Business Innovation Research programs.
- Effectiveness of SBA contracting programs to increase participation by small businesses in federal procurement.
- Effectiveness of federal agency protections against contract bundling and consolidation.
- The accuracy and utility of SBA size standards and federal procurement databases.
- Operation and effectiveness of federal agency assistance provided to small businesses interested in federal procurement, including that provided by the SBA, Offices of Small and Disadvantaged Business Utilization and Procurement Technical Assistance Centers.
- Development of federal acquisition policies and whether small businesses have sufficiently effective voice in development of such policies.
- Cost-effectiveness of outsourcing government work to private enterprise rather than expanding the government to do provide the good or service internally (i.e., government insourcing).
- Implementation and efficacy of changes made in small business federal procurement programs arising from the enact-

ment of the National Defense Authorization Acts for FYs 2012–2019.

- Examination of the Small Business Innovation Research Program as modified by the National Defense Authorization Act for FY 2012, Pub. L. No. 112–81, including, but not limited to, increased efforts at commercializing federally-funded technology.

- Implementation and efficacy of changes made to the Small Business Innovation Research Program arising from the enactment of the John S. McCain National Defense Authorization Act for Fiscal Year 2019, Pub. L. No. 115–232.

- Implementation and efficacy of changes made to the HUBZone program arising from the enactment of the National Defense Authorization Act for Fiscal Year 2018, Pub. L. No. 115–91.

In performing oversight, the Committee will focus its efforts on uncovering abuse and misuse of the small business designation to obtain federal government contracts.

OVERSIGHT OF SBA MANAGEMENT

The Committee will conduct the hearings and investigations into the management of the SBA that may include any or all of the following, as well as matters brought to the attention of the Committee subsequent to the filing of this Report:

- The appropriate mission of the SBA.
- Whether agency employees in the field are empowered to assist small businesses.
- Duplication of offices and missions at SBA headquarters.
- Effectiveness of personnel management to ensure that employees are rewarded for assisting small businesses.
- Capabilities of SBA employees to provide proper assistance to small business owners.
- Review the agency’s cooperative agreements, partnerships and co-sponsorships.
- Continue to assess the adequacy of the agency’s budgetary requests, financial management, and reporting goals.
- Agency personnel capabilities to properly manage loan defaults to maximize recovery of collateral.
- Whether SBA improperly utilizes statutory authority to create untested initiatives and the procedures by which the agency develops such programs.

In carrying out this oversight, the Committee will focus particularly on streamlining and reorganizing of the agency’s operations to provide maximum assistance to small business owners. Offices that primarily provide assistance or advice to headquarters staff that do not promote the interests of small businesses or protect the federal government as a guarantor of loans will be recommended for cuts or elimination.

OVERSIGHT OF FEDERAL REGULATORY AND PAPERWORK BURDENS

The Committee will conduct hearings and investigations into burdensome federal rules, reporting and recordkeeping requirements affecting small businesses that may include any or all of the

following, as well as matters brought to the attention of the Committee subsequent to the filing of this Report:

- Identify specific rules and regulations already issued or at the proposed rule stage to assess the impact on small businesses.
- Examine agency compliance with the Regulatory Flexibility Act and Paperwork Reduction Act.
- Oversee, to the extent relevant, the work of the Office of Information and Regulatory Affairs at the Office of Management and Budget and the Chief Counsel for Advocacy at the Small Business Administration to ensure that they are fulfilling their mission to advocate vigorously on behalf of America's small business owners in regulatory matters at federal agencies.
- Identify regulations that impose unnecessary barriers to competitive market entry by small businesses and place small businesses at a competitive disadvantage with respect to larger competitors.
- Identify regulations that fail to minimize recordkeeping and reporting requirements, including the elimination of duplicative requirements as required by the Paperwork Reduction Act.
- Assess whether small businesses are provided sufficient compliance assistance, including small entity compliance guides issued by agencies as mandated by the Small Business Regulatory Enforcement Fairness Act.
- Evaluate the need to amend and further strengthen the Regulatory Flexibility Act and the Paperwork Reduction Act to improve agency compliance with the laws and ensure that small businesses are not unnecessarily burdened by regulations.

OVERSIGHT OF FEDERAL TAX POLICY

The Committee will conduct hearings and investigations into the federal tax code, its impact on small business, and Internal Revenue Service's (IRS) collection of taxes that may include any or all of the following, as well as matters brought to the attention of the Committee subsequent to the filing of this Report:

- Identification of tax code provisions and proposed rules that hinder the ability of small businesses to create jobs and recommendations for modifying those provisions to boost small business job growth.
- Examination of the structure of the tax code in order to simplify compliance for small businesses.
- Assessment of the recordkeeping and reporting requirements associated with tax compliance and suggestions for reducing such burdens on small businesses.
- Impact of the tax reform law, Pub. L. No. 115-97, on small business tax liabilities and compliance and its harm to economic growth and job creation.
- Efficiencies at the IRS that improve the interaction between the government and small business owners.
- Inefficiencies at the IRS that force small businesses to divert capital from job growth to tax compliance.

- Investigate incentives that may be used to support the growth of the micro-entrepreneur.
- Analyze tax code restructuring to enhance the ability of small businesses to offer retirement benefits through lowering their costs.

OVERSIGHT OF HEALTH CARE POLICY

The Committee will conduct hearings and investigations into federal health care policy (such as Medicare and Medicaid), as well as matters brought to the attention of the Committee subsequent to the filing of this Report:

- The availability of health insurance in the federal marketplaces established by the Patient Protection and Affordable Care Act.
- Implementation and efficacy of changes made to health care policy through various laws enacted throughout the 115th Congress, including but not limited to the tax reform law, Pub. L. No. 115–97.
- The impact of the Patient Protection and Affordable Care Act, Medicare and Medicaid on the ability of physicians, pharmacists, and allied health care providers to offer the best care possible to patients.
- Examination of increases in efficiencies that will improve the provision of health care while reducing costs to small businesses that offer their workers' health insurance.

OVERSIGHT OF ENERGY POLICY

The Committee will conduct hearings and investigations into energy policy to reduce the cost of energy and increase renewable energy that may include any or all of the following, as well as matters brought to the attention of the Committee subsequent to the filing of this Report:

- Innovations developed by small businesses that create greater reliance on renewable energy.
- Federal regulatory policies that increase dependence on renewable energy and decrease energy costs.
- Policies needed to incentivize production of renewable energy in the United States.
- Examination of commercialization of research in renewable energy.
- Federal regulations or policies that affect energy costs for small businesses.
- Investigate methods to increase energy efficiency and improve resource conservation practices for small businesses.
- Federal initiatives to streamline business operations and reduce energy costs for small firms.

The primary thrust of the Committee's efforts will focus on efforts to use the innovation of America's entrepreneurs to fuel the drive for greater energy independence, including the development of renewable energy products.

OVERSIGHT OF TRADE AND INTELLECTUAL PROPERTY POLICY

The Committee will conduct hearings and investigations into international trade and intellectual property policies of America and its trading partners that may include any or all of the following, as well as matters brought to the attention of the Committee subsequent to the filing of this Report:

- Impact of free trade agreements to increase exports by American small businesses.
- Oversight of SBA's Office of International Trade and the agency's efforts to promote small business exports.
- Examination of the impact of illicit actions by foreign entities on small businesses and whether the federal government is doing enough to protect their interests.
- Whether the federal government is doing enough to protect the intellectual property rights of small businesses by foreign competitors.
- The impact of federal intellectual property policies, particularly patents and copyrights, to protect the innovations of American entrepreneurs.
- Efforts to increase exports by small businesses.
- Whether the United States Trade Representative and Department of Commerce sufficiently protect the interests of small businesses in the negotiation of free trade agreements.
- Whether the United States Trade Representative takes positions at the World Trade Organization that sufficiently promote the interests of American small businesses.
- Measure the performance of federal trade programs, which seek to reduce small firms' costs of expanding into international markets, including those administered by the SBA, Departments of Commerce and Agriculture, the Export-Import Bank, and the Overseas Private Investment Corporation.
- Evaluate the implementation of the National Export Promotion Strategy, particularly its focus on small businesses.
- Examine efforts methods to increase the representation of small business interests in the negotiation of new trade agreements and enforcement of existing agreements and treaties.
- Evaluate the availability and quality of data measuring the contributions to the nation's trade performance by small businesses, including information gathered by the Department of Commerce and the United States Trade Representative.
- Assess current trade duties and tariffs, both domestic and foreign, to evaluate their impact on American small businesses, economic growth, and job creation.
- Conduct analysis on the importance of intellectual property rights to underserved entrepreneurs and how best to increase their representation of such rights.

OVERSIGHT OF AGRICULTURE POLICY

The Committee will conduct hearings and investigations into agriculture policies that may include any or all of the following, as well as matters brought to the attention of the Committee subsequent to the filing of this Report:

- Examine the impact of federal policies on family farms, ranchers, and rural small businesses, including changes made by the 2018 Farm Bill.
- Evaluate the impact of access to capital issues facing rural areas, farmers and agribusinesses.
- Analyze the extent to which SBA programs and United States Department of Agriculture programs overlap and how they can better coordinate to provide better services and streamline assistance to the agriculture community.
- Oversee federal activities to spur economic development in rural communities.
- Examine ways in which the federal government can enhance the use of next-generation technologies in small agriculture businesses.

OVERSIGHT OF TECHNOLOGY AND INNOVATION POLICY

The Committee will conduct hearings and investigations into technology and telecommunications policies that may include any or all of the following, as well as matters brought to the attention of the Committee subsequent to the filing of this Report:

- Examine the impact of federal policies on broadband deployment, particularly in underserved areas.
- Investigate the economic benefits of increasing the speed of broadband and proposals for funding the Universal Service Fund.
- Examine the cost and benefits of proposed reforms to the United States patent system and their impact on small innovators.
- Evaluate the need to increase IP education and services to underserved innovators.
- Monitor efforts to assist small businesses in cybersecurity hygiene and evaluate the role the SBA has in the process to collect and disseminate information and educate small businesses.
- Assess the current government-wide initiative to ensure small technology firms have adequate contracting opportunities while also protecting government systems through rigorous cybersecurity requirements.
- Examine ways in which the federal government can enhance the use of next-generation technologies in small agriculture businesses.

OVERSIGHT OF VETERANS' ENTREPRENEURSHIP POLICY

The Committee will conduct hearings and investigations into veterans' policies that may include any or all of the following, as well as matters brought to the attention of the Committee subsequent to the filing of this Report:

- Examine how current entrepreneurial and capital assistance programs are accommodating the growing veteran population.
- Review federal actions to assist veteran entrepreneurs and ensure they are consistent with federal small business policy.
- Evaluate the effectiveness of federal programs that seek to improve veterans' access to markets and training by imple-

menting and monitoring enhanced programmatic data collection.

- Assess whether the federal government is sufficiently coordinating activities and allocating resources appropriately with regard to veteran entrepreneurship activities and initiatives.
- Monitor the transition of federal entrepreneurial programs from the Department of Veterans' Affairs to the SBA.

OVERSIGHT OF LABOR AND WORKFORCE POLICY

The Committee will conduct hearings and investigations into labor and workforce policies that may include any or all of the following, as well as matters brought to the attention of the Committee subsequent to the filing of this Report:

- Review federal actions to assist employers in workforce training and analyze ways to meet the growing need for more skilled workers.
- Study the effectiveness of efforts to encourage more underserved workers to enter fields where skilled labor is needed.
- Evaluate the role immigration policy plays in assisting small businesses meet their workforce needs and whether the existing visa system should be reformed.
- Investigate policies to encourage more participation in labor market through initiatives that can be offered by small businesses, such as increased minimum wages, paid sick leave, paid parental leave, and flexible work arrangements.
- Study the role student loan debt plays in entrepreneurship and methods to address the crisis.

LEGISLATIVE ACTIVITIES

Clause 1(d) of Rule XI of the Rules of the House of Representatives for the 116th Congress requires that each standing committee, no later than January 2 of each odd-numbered year, submit to the House a report on the activities of that committee, including a separate section summarizing the legislative activities of that committee.

INVESTING IN MAIN STREET ACT OF 2019

H.R. 116

Summary

H.R. 116 amends the Small Business Investment Act of 1958 to permit certain banking entities, subject to the approval of the appropriate federal banking agency, to invest up to 15 percent of their capital and surplus in one or more small business investment companies (SBICs), or in any entity established to invest solely in SBICs.

Legislative History

H.R. 116 was introduced on January 3, 2019 by Representative Judy Chu (D-CA) and Representative Ralph Norman (R-SC). H.R. 116 passed the House on January 14, 2019 under Suspension of the

Rules by a vote of 403–2 (Roll Call No. 30). H.R. 116 was received in the Senate and read twice and referred to the Committee on Small Business and Entrepreneurship on January 15, 2019.

SMALL BUSINESS ADVOCACY IMPROVEMENTS ACT

H.R. 128

Summary

H.R. 128 amends the Small Business Act to expand the primary functions and additional duties of the Office of Advocacy of the Small Business Administration to include examining the role of small businesses in the international economy and representing the views and interests of small businesses before foreign governments and international entities to contribute to regulatory and trade initiatives that may affect small businesses.

Legislative History

H.R. 128 was introduced on January 3, 2019 by Representative James Comer (R–KY) and Chairwoman Nydia M. Velázquez (D–NY). H.R. 128 passed the House on January 8, 2019 under Suspension of the Rules by voice vote. H.R. 128 was received in the Senate and read twice and referred to the Committee on Small Business and Entrepreneurship on January 9, 2019.

EXPANDING CONTRACTING OPPORTUNITIES FOR SMALL BUSINESS ACT

H.R. 190

Summary

H.R. 190 amends the Small Business Act to eliminate the inclusion of option years in the award price for certain sole source contracts (i.e., contracts awarded without a competitive process). Under current law, option years in the award price for such contracts limit their dollar award threshold. Specifically, the bill revises requirements for the award of these contracts to (1) qualified Historically Underutilized Business Zone (HUBZone) small businesses, (2) small businesses owned and controlled by service-disabled veterans, (3) economically disadvantaged small businesses owned and controlled by women, and (4) small businesses owned and controlled by women in substantially underrepresented industries. The Government Accountability Office must evaluate the policies and practices used by the Small Business Administration and other federal agencies to ensure that contracting officers are properly classifying sole source contracts under procurement programs for businesses owned by women and disabled veterans in the Federal Procurement Data System.

Legislative History

H.R. 190 was introduced on January 8, 2019 by Representative Roger Marshall (R–KS) and Representative Bradley Schneider (D–IL). H.R. 190 was considered under Suspension of the Rules on January 14, 2019 and passed the House on January 16, 2019, by a vote of 415–6 (Roll Call No. 36). H.R. 190 was received in the Senate and read twice and referred to the Committee on Small Business and Entrepreneurship on January 17, 2019.

ENCOURAGING SMALL BUSINESS INNOVATION ACT

H.R. 206

Summary

H.R. 206 amends the Small Business Act to modify requirements of the Small Business Innovation Research (SBIR) and Small Technology Transfer Research (STTR) programs to require participating agencies to use part of their allocations to conduct outreach to minorities and underrepresented states by removing the waiver requirement from statute. It also increases financial assistance to SBIR and STTR companies by utilizing Small Business Investment Companies (SBICs) and increasing the calculated leverage of these companies by excluding the amount of any investment made by SBIR and STTR participants with a cap of 20 percent of the private capital of that company. Finally, the bill provides an avenue for more experienced SBIR and STTR companies to mentor new companies.

Legislative History

H.R. 206 was introduced on January 3, 2019 by Representative Harley Rouda (D–CA). H.R. 206 passed the House on January 14, 2019 under Suspension of the Rules by voice vote. H.R. 206 was received in the Senate and read twice and referred to the Committee on Small Business and Entrepreneurship on January 15, 2019.

CLARITY ON SMALL BUSINESS PARTICIPATION IN CATEGORY
MANAGEMENT ACT

H.R. 226

Summary

H.R. 226 amends the Small Business Act to revise the SBA's reporting requirements to the President and Congress on procurement contracts to include spending data in each best in class designation (highest current industry performance level) and the number of and total contract amounts awarded to: (1) qualified Historically Underutilized Business Zone (HUBZone) small businesses, (2) small businesses owned and controlled by women, (3) small businesses owned and controlled by service-disabled veterans, and (4) small businesses owned and controlled by socially and economically disadvantaged individuals.

Legislative History

H.R. 226 was introduced on January 3, 2019 by Chairwoman Nydia M. Velázquez (D–NY) and Ranking Member Steve Chabot (R–OH). H.R. 226 was considered under Suspension of the Rules on January 8, 2019 and passed the House on January 9, 2019, by a vote of 414–11 (Roll Call No. 18). H.R. 226 was received in the Senate and read twice and referred to the Committee on Small Business and Entrepreneurship on January 10, 2019. H.R. 226 was included in H.R. 2500, the National Defense Authorization Act for Fiscal Year 2020. H.R. 2500 was reported, as amended, by the House Committee on Armed Services on June 19, 2019, and passed the House on July 12, 2020, by a vote of 220–197 (Roll Call No.

473). H.R. 226 was included in the final version of the National Defense Authorization Act of 2020, (S. 1790).

INCENTIVIZING FAIRNESS IN SUBCONTRACTING ACT

H.R. 227

Summary

H.R. 227 amends the Small Business Act to modify provisions regarding the credit given to small business prime contractors for the use of certain lower-tier subcontractors in order to attain the percentage goals specified in their subcontracting plans. Such credit may be given if the goals pertain only to single contracts with federal agencies or to two or more contracts with one or more of such agencies. In addition, the bill requires each contracting agency to collect and review data on subcontracting plans and establishes a dispute process for non-payment to subcontractors.

Legislative History

H.R. 227 was introduced on January 3, 2019 by Chairwoman Nydia M. Velázquez (D-NY) and Representative Trent Kelly (R-MS). H.R. 227 passed the House on January 8, 2019 under Suspension of the Rules by voice vote. H.R. 227 was received in the Senate and read twice and referred to the Committee on Small Business and Entrepreneurship on January 9, 2019. H.R. 227 was included in H.R. 2500, the National Defense Authorization Act for Fiscal Year 2020. H.R. 2500 was reported, as amended, by the House Committee on Armed Services on June 19, 2019, and passed the House on July 12, 2020, by a vote of 220–197 (Roll Call No. 473). H.R. 227 was included in the final version of the National Defense Authorization Act of 2020, (S. 1790).

STIMULATING INNOVATION THROUGH PROCUREMENT ACT

H.R. 246

Summary

H.R. 246 amends the Small Business Act to provide assistance to small businesses participating in the Small Business Innovation Research (SBIR) Program or the Small Business Technology Transfer (STTR) Program. Specifically, the bill requires (1) the Small Business Administration (SBA) to coordinate with the senior procurement executives of federal agencies participating in SBIR or STTR programs to assist small businesses participating in such programs with commercializing research before the business is awarded a federal contract; (2) the SBA to modify its policy directives to require procurement center representatives to assist small businesses participating in SBIR or STTR programs with researching solicitations for federal contracts and submitting bids; and (3) each Office of Small and Disadvantaged Business Utilization to assist small businesses participating in SBIR or STTR programs with researching solicitations for federal contracts and submitting bids.

Legislative History

H.R. 246 was introduced on January 4, 2019 by Representative Abby Finkenauer (D-IA), Chairwoman Nydia M. Velázquez (D-

NY), and Representative John Curtis (R-UT). H.R. 246 passed the House on January 14, 2019 under Suspension of the Rules by voice vote. H.R. 246 was received in the Senate and read twice and referred to the Committee on Small Business and Entrepreneurship on January 15, 2019. H.R. 246 was included in H.R. 2500, the National Defense Authorization Act for Fiscal Year 2020. H.R. 2500 was reported, as amended, by the House Committee on Armed Services on June 19, 2019, and passed the House on July 12, 2020, by a vote of 220–197 (Roll Call No. 473). H.R. 246 was included in the final version of the National Defense Authorization Act of 2020, (S. 1790).

ACCESS TO SUFFICIENT CAPITAL FOR EVERYONE IN NATURAL DISASTER
AREAS ACT OF 2019

H.R. 277

Summary

H.R. 277 amends the Small Business Act to make permanent the temporary increase of the minimum disaster loan amount for which the Small Business Administration (SBA) may require collateral from \$14,000 to \$25,000 for physical damage loans in SBA agency disaster declarations.

Legislative History

H.R. 277 was introduced on January 8, 2019 by Chairwoman Nydia M. Velázquez (D-NY) and Ranking Member Steve Chabot (R-OH). H.R. 277 was reported by the House Committee on Small Business on June 13, 2019 and passed the House on July 15, 2019 under Suspension of the Rules by voice vote. H.R. 277 was received in the Senate and read twice and referred to the Committee on Small Business and Entrepreneurship on July 16, 2019.

SERVICE DISABLED VETERANS SMALL BUSINESS CONTINUATION ACT

H.R. 499

Summary

H.R. 499 provides a technical and clerical amendment to section 3(q)(2) of the Small Business Act (15 U.S.C. 632(q)) to ensure eligible surviving spouses of veterans who died with less than a 100 percent disability rating are able to maintain their service-disabled veteran-owned small business (SDVOSB) status for up to three years following the death of the service-disabled veteran. H.R. 499 aims to create parity in the treatment of surviving spouses between the service-disabled veteran-owned small business contracting program managed by the U.S. Department of Veterans Affairs and that managed by the Small Business Administration.

Legislative History

H.R. 499 was introduced on January 11, 2019, by Representative Steve Chabot (R-OH) and Representative Antonio Delgado (D-NY). H.R. 499 was reported by the House Committee on Small Business on October 15, 2019. The House passed H.R. 499 on November 13, 2019, under Suspension of the Rules by a vote of 423–0 (Roll Call

No. 613). H.R. 499 was included in the final version of the National Defense Authorization Act of 2020, (S. 1790).

VERIFICATION ALIGNMENT AND SERVICE DISABLED BUSINESS
ADJUSTMENT ACT

H.R. 1615

Summary

H.R. 1615 eliminates the certification process offered by the U.S. Department of Veterans Affairs (VA) and transfers to the Small Business Administration (SBA) the responsibility of certifying all veteran-owned and service-disabled veteran-owned small businesses interested in participating in the VA's small business contracting program. The bill transfers to the SBA the responsibility of keeping a database of all certified veteran-owned and service-disabled veteran-owned small businesses, allows the VA to provide the necessary funds to cover SBA's costs in certifying veteran-owned small businesses and, transfers assets of the VA's Center for Verification and Evaluation to the SBA. Furthermore, H.R. 1615 requires formal certification of service-disabled veteran-owned small businesses in SBA's government-wide contracting program.

Legislative History

H.R. 1615 was introduced on March 07, 2019, by Representative Trent Kelly (R-MS), Ranking Member Steve Chabot (R-OH), Chairwoman Nydia Velázquez (D-NY), and Ann Kuster (D-MH). An amendment offered by Representative Trent Kelly (R-MS) was agreed to by voice vote. H.R. 1615 was reported, as amended by the House Committee on Small Business on November 12, 2019 and passed the House, as amended, on November 13, 2019 under Suspension of the Rules by voice vote. H.R. 1615 was included in H.R. 6395, the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021. H.R. 6395 was reported, as amended, by the House Committee on Armed Services on July 9, 2020, and passed the House on July 21, 2020, by a vote of 295-125 (Roll Call No. 152). H.R. 1615 was included in the final version of the William M. (Mac) Thornberry National Defense Authorization Act of 2021, (H.R. 6395).

SMALL BUSINESS ADVANCE CYBERSECURITY ENHANCEMENTS ACT OF
2019

H.R. 1648

Summary

H.R. 1648 amends the Small Business Act to encourage small businesses to work with the Federal Government by providing them additional resources. In order to combat small businesses' reluctance to engage with the Federal Government, this legislation encourages their collaboration in the following ways: it establishes Small Business Administration (SBA) Small Business Development Centers (SBDCs) as the primary interface for federal information sharing for small businesses; ensures small businesses that share cyber indicators through SBDCs receive the same protections and exemptions provided in the Cybersecurity Information Sharing Act

of 2015; ensures that any policies or rulemaking adopted by any federal agency as a result of small business cyber information sharing do not unfairly burden small businesses; and expands liability protections for small businesses that engage with the Federal Government in good faith.

Legislative History

H.R. 1648 was introduced on March 8, 2019, by Ranking Member Steve Chabot (R–OH) and Chairwoman Nydia Velázquez (D–NY). H.R. 1648 was referred to the House Committee on Small Business on March 8, 2019. H.R. 1649 was ordered out of the House Committee on Small Business on June 13, 2019 by voice vote.

SMALL BUSINESS DEVELOPMENT CENTER CYBER TRAINING ACT OF 2019

H.R. 1649

Summary

H.R. 1649 would establish a cyber counseling certification program in Small Business Development Centers (SBDCs) to provide specific, free-of-charge cyber training for small businesses. The cyber training provided by the nationwide network of SBDCs will offer crucial resources for small businesses to plan and implement cybersecurity protections and combat cyber-attacks.

Legislative History

H.R. 1649 was introduced on March 8, 2019, by Ranking Member Steve Chabot and Representative Dwight Evans (D–PA). H.R. 1649 was reported by the House Committee on Small Business on June 13, 2019 and passed the House on July 15, 2019, by a voice vote. On July 16, 2019, the bill was received by the Senate and was placed on the Senate Legislative Calendar under General Orders. H.R. 1649 was included in H.R. 2500, the National Defense Authorization Act for Fiscal Year 2020. H.R. 2500 was reported, as amended, by the House Committee on Armed Services on June 19, 2019, and passed the House on July 12, 2020, by a vote of 220 197 (Roll Call No. 473). H.R. 1649 was not included in the final version of the National Defense Authorization Act of 2020, (S. 1790).

TO AMEND THE SMALL BUSINESS ACT TO REQUIRE THE SMALL BUSINESS AND AGRICULTURE REGULATORY ENFORCEMENT OMBUDSMAN TO CREATE A CENTRALIZED WEBSITE FOR COMPLIANCE GUIDES, AND FOR OTHER PURPOSES.

H.R. 2142

Summary

H.R. 2142 requires the Office of the National Ombudsman at the Small Business Administration to create a centralized, publicly available website. H.R. 2141 mandates the website provide hyperlinks to small business compliance guides described under section 212 of the Small Business Regulatory Enforcement Fairness Act of 1996 and provide the contact information for the person at the agency who could provide small businesses with assistance on the rules within the guides. H.R. 2142 also requires the Ombudsman to report on federal agencies' compliance with the Section 212

requirements of the Small Business Regulatory Enforcement Fairness Act (SBREFA) in its annual report to Congress.

Legislative History

H.R. 2142 was introduced on April 9, 2019, by Representative Antonio Delgado (D-NY) and Representative John Joyce (R-PA). H.R. 2142 was reported by the House Committee on Small Business on June 13, 2019 and passed the House by voice vote under Suspension of the Rules on July 15, 2019. H.R. 2142 was received in the Senate and referred to the Committee on Small Business and Entrepreneurship on July 16, 2019.

SBA CYBER AWARENESS ACT

H.R. 2331

Summary

H.R. 2331 requires the SBA to report annually to Congress on (1) an assessment of SBA's information technology (IT) and cybersecurity infrastructure; (2) a strategy to increase such infrastructure; (3) a detailed account of SBA's IT equipment or interconnected system or subsystem of equipment manufactured by an entity that has its principal place of business in the People's Republic of China; and (4) any SBA cybersecurity risk or incident that occurred during two years before the report, including SBA's action to respond to or remediate it.

Legislative History

H.R. 2331 was introduced on April 18, 2019, by Representative Jason Crow (D-CO), Representative Troy Balderson (R-OH), Chairwoman Nydia Velázquez (D-NY), and Ranking Member Steve Chabot (R-OH). H.R. 2331 was reported by the House Committee on Small Business on June 13, 2019 and passed the House by voice vote on July 15, 2019. The Senate received the bill on July 16, 2019 and placed it on the Legislative Calendar under General Orders. H.R. 2331 was included in H.R. 2500, the National Defense Authorization Act for Fiscal Year 2020. H.R. 2500 was reported, as amended, by the House Committee on Armed Services on June 19, 2019, and passed the House on July 12, 2020, by a vote of 220-197 (Roll Call No. 473). H.R. 2331 was not included in the final version of the National Defense Authorization Act of 2020, (S. 1790).

CLARIFYING THE SMALL BUSINESS RUNWAY EXTENSION ACT

H.R. 2345

Summary

H.R. 2345 provides for the implementation of the Small Business Runway Extension Act of 2018 (Runway Act), which became law on December 17, 2018 and extended the receipts-based size standard calculation to 5 years. In particular, H.R. 2345 amends section 3(a)(2)(C) of the Small Business Act to clarify that the changes made by the Runway Act are applicable to the Small Business Administration (SBA) and institutes a date by which the SBA must issue a final rule for its implementation. The bill also aligns the

size standard based on data to the receipts-based size standard by changing the calculation to 5 years. Finally, the bill required SBA to develop a transition plan for small businesses and agencies, to help them successfully navigate the transition from the previous 3-year calculation to the new 5-year calculation, as mandated by the Runway Act.

Legislative History

H.R. 2345 was introduced on April 18, 2019, by Representative Pete Stauber (R–MN) and Representative Jared Golden (D–ME). An amendment offered by Representative Jim Hagedorn (R–MN) was agreed to by voice vote. H.R. 2345 was reported, as amended by the House Committee on Small Business on June 13, 2019 and passed the House, as amended, on July 15, 2019, under Suspension of the Rules by voice vote. H.R. 2345 was included in H.R. 2500, the National Defense Authorization Act for Fiscal Year 2020. H.R. 2500 was reported, as amended, by the House Committee on Armed Services on June 19, 2019, and passed the House on July 12, 2020, by a vote of 220–197 (Roll Call No. 473). H.R. 2345 was not included in the final version of the National Defense Authorization Act of 2020, (S. 1790).

SMALL BUSINESS CONTRACTING ACT OF 2019

H.R. 3372

Summary

H.R. 3372 amends the Small Business Act to authorize federal agencies to double the value of contracts awarded to Puerto Rican subcontractors for the purpose of obtaining credit towards the small business prime contracting goal.

Legislative History

H.R. 3372 was introduced on June 19, 2019 by Chairwoman Nydia M. Velázquez (D–NY) and Representative Gilbert Cisneros (D–CA). H.R. 3372 was included in H.R. 2500, the National Defense Authorization Act for Fiscal Year 2020. H.R. 2500 was reported, as amended, by the House Committee on Armed Services on June 19, 2019, and passed the House on July 12, 2020, by a vote of 220–197 (Roll Call No. 473). H.R. 3372 was included in the final version of the National Defense Authorization Act of 2020, (S. 1790).

SMALL BUSINESS TERRITORIES EQUITY ACT

H.R. 3428

Summary

H.R. 3428 amends the Small Business Act to authorize federal agencies to double the value of contracts awarded to small businesses in the U.S. Virgin Islands, American Samoa, Guam, or the Northern Mariana Islands for the purpose of obtaining credit towards the small business contracting goal.

Legislative History

H.R. 3428 was introduced on June 19, 2019 by Chairwoman Nydia M. Velázquez (D–NY), Representative Stacey Plaskett (D–VI), Representative Gregorio Sablan (D–MP), Representative Michael San Nicolas (D–GU), and Representative Aumua Amata Coleman Radewagen (R–AS). H.R. 23428 was included in H.R. 2500, the National Defense Authorization Act for Fiscal Year 2020. H.R. 2500 was reported, as amended, by the House Committee on Armed Services on June 19, 2019, and passed the House on July 12, 2020, by a vote of 220–197 (Roll Call No. 473). H.R. 3372 was included in the final version of the National Defense Authorization Act of 2020, (S. 1790).

VETERAN ENTREPRENEURSHIP TRAINING ACT OF 2019

H.R. 3537

Summary

H.R. 3537 amends the Small Business Act to codify for five years the Boots to Business program, which helps transitioning servicemembers launch and grow small businesses. The bill also sets the goals of the program, which include in-depth training for servicemembers interested in owning a business; and development of tools to identify opportunities, draft business plans, identify sources of capital, connect with local resources for small business, and launch a small business. The bill delineates the program components, which include a two-day, in-person entrepreneurship program. It also gives SBA the authority to collaborate with public and private entities to develop the curricula; and it ensures Veterans Business Outreach Centers (VBOCs) regularly participate in the program, and to the reasonable maximum extent, allows the participation of other resource partners as well.

Legislative History

H.R. 3537 was introduced on June 27, 2019, by Representative Bradley Schneider (D–IL) and Representative Ross Spano (R–FL). H.R. 3537 was reported by the House Committee on Small Business on October 15, 2019 and passed the House under Suspension of the Rules on November 13, 2019, by a vote of 424–1 (Roll Call No. 612). H.R. 3537 was received in the Senate and read twice and referred to the Committee on Small Business and Entrepreneurship on November 14, 2019. H.R. 3537 was included in H.R. 2500, the National Defense Authorization Act for Fiscal Year 2020. H.R. 2500 was reported, as amended, by the House Committee on Armed Services on June 19, 2019, and passed the House on July 12, 2020, by a vote of 220–197 (Roll Call No. 473). H.R. 3537 was not included in the final version of the National Defense Authorization Act of 2020, (S. 1790).

ENSURING SAFE CAPITAL ACCESS FOR ALL SMALL BUSINESS ACT

H.R. 3540

Summary

H.R. 3540 amends the Small Business Act to remove cannabis from the schedule of controlled substances, and it prohibits the Small Business Administration from declining to provide certain small business loans to an eligible entity solely because it is a cannabis-related legitimate business or service provider.

Legislative History

H.R. 3540 was introduced on June 27, 2019 by Chairwoman Nydia M. Velázquez (D-NY). H.R. 3540 was included as a provision in H.R. 3884, the Marijuana Opportunity Reinvestment and Expungement Act of 2019 (MORE Act). H.R. 3884 was reported, as amended, by the House Committee on the Judiciary on November 21, 2019, and passed the House on December 4, 2020.

ENSURING ACCESS TO COUNSELING AND TRAINING FOR ALL SMALL BUSINESSES ACT

H.R. 3543

Summary

H.R. 3543 amends the Small Business Act to remove cannabis from the schedule of controlled substances, and it prohibits the Small Business Administration from declining to provide certain small business loans to an eligible entity solely because it is a cannabis-related legitimate business or service provider.

Legislative History

H.R. 3543 was introduced on June 27, 2019 by Representative Jared Golden (D-ME). H.R. 3543 was included as a provision in H.R. 3884, the Marijuana Opportunity Reinvestment and Expungement Act of 2019 (MORE Act). H.R. 3884 was reported, as amended, by the House Committee on the Judiciary on November 21, 2019, and passed the House on December 4, 2020.

HOMEGROWN ACT OF 2019

H.R. 3544

Summary

H.R. 3544 removes marijuana from the list of scheduled substances under the Controlled Substances Act and eliminates criminal penalties for an individual who manufactures, distributes, or possesses with intent to distribute marijuana. Additionally, the bill requires the Small Business Administration to establish the Equitable Licensing Grant Program. The purpose of the grant program is to support the implementation of cannabis licensing programs that minimize barriers to licensing and employment for individuals adversely impacted by the war on drugs.

Legislative History

H.R. 3544 was introduced on June 27, 2019 by Representative Dwight Evans (D-PA). H.R. 3544 was included as a provision in H.R. 3884, the Marijuana Opportunity Reinvestment and Expungement Act of 2019 (MORE Act). H.R. 3884 was reported, as amended, by the House Committee on the Judiciary on November 21, 2019, and passed the House on December 4, 2020.

PATRIOTIC EMPLOYER PROTECTION ACT OF 2019

H.R. 3661

Summary

H.R. 3661 amends the Small Business Act to remove statutory restrictions that limit use of the Small Business Administration's Military Reservist Economic Injury Disaster Loan (MREIDL) and Repayment Deferral programs to active duty "during a period of military conflict" and replaces this language with "being ordered to perform active service for a period of more than 30 consecutive days." This change to the law broadens the pool of service members and reservists eligible for the MREIDL and Repayment Deferral programs. H.R. 3661 also requires the President to submit to Congress a report on the number of loans made under the MREIDL program and the dollar volume of those loans.

Legislative History

H.R. 3661 was introduced on July 10, 2019 by Representative Andy Kim (D-NJ) and Representative Tim Burchett (R-TN). H.R. 3661 was reported by the House Committee on Small Business on October 15, 2019, and passed the House, as amended, on November 13, 2019 under Suspension of the Rules by voice vote. H.R. 3661 was received in the Senate and read twice and referred to the Committee on Small Business and Entrepreneurship on November 14, 2019. H.R. 3661 was included in the final version of the National Defense Authorization Act of 2020, (S. 1790).

SUCCESSFUL ENTREPRENEURSHIP FOR RESERVISTS AND VETERANS
ACT

H.R. 3734

Summary

H.R. 3734 amends the Small Business Act to require The Inter-agency Task Force for Small Business Development to report annually to Congress on the appointments made to the task force and to identify and outline a plan for outreach and promotion of programs serving veterans at SBA. The bill also requires a report from the Government Accountability Office on the credit issues related to veterans.

Legislative History

H.R. 3734 was introduced on July 12, 2019, by Representative Sharice Davids (D-KS) and Ranking Member Steve Chabot (R-OH). H.R. 3734 was reported by the House Committee on Small Business on October 15, 2019, and passed the House on November

13, 2019, under Suspension of the Rules by a vote of 421–3 (Roll Call No. 614). H.R. 3734 was received in the Senate and read twice and referred to the Committee on Small Business and Entrepreneurship on November 14, 2019.

TO ESTABLISH GROWTH ACCELERATOR FUND COMPETITION WITHIN
THE SMALL BUSINESS ADMINISTRATION, AND FOR OTHER PURPOSES.

H.R. 4387

Summary

The SBA funds the Growth Accelerator Fund Competition for the nation’s most innovative and promising small business accelerators and incubators. Accelerators, incubators, co-working start-up companies, or other entrepreneurial ecosystem models compete for monetary prizes of \$50,000 each. H.R. 4387 codifies the Growth Accelerator Fund Competition at the Small Business Administration. The bill would mandate that awards be given on a competitive basis to assist small businesses in accessing capital, mentors, and networking opportunities; and advise small business concerns on topics such as market analysis, company strategy, revenue growth, and securing funding. H.R. 4387 would also require the Small Business Administration to prioritize applications from small businesses in underserved communities.

Additionally, the bill would require the Small Business Administration to develop metrics that are science-based and statistically driven, reflect the mission of the Administration, and include factors related to the economic impact of the Growth Accelerator Fund Competition. The bill authorizes \$2 million in funds annually for 4 years to carry out the Competition.

Legislative History

H.R. 4387 was introduced on September 18, 2019, by Representative Adriano Espaillat (D–NY) and Representative Troy Balderson (R–OH). H.R. 4387 was reported by the House Committee on Small Business on October 17, 2019 and passed the House by voice vote under Suspension of the Rules on October 21, 2019. H.R. 4387 was received in the Senate and referred to the Committee on Small Business and Entrepreneurship.

WOMEN’S BUSINESS CENTERS IMPROVEMENTS ACT

H.R. 4405

Summary

The Women’s Business Centers Improvements Act strengthens the Women’s Business Center program to ensure that women entrepreneurs across the country have access to the vital counseling and technical training services from startup to success. The bill also authorizes the Women’s Business Center program for four years at \$31.5 million for each fiscal year, establishes an accreditation program to strengthen Women’s Business Centers, creates a transparent process to set up new center locations, and requires an annual report by the Small Business Administration to evaluate program effectiveness.

Legislative History

H.R. 4405 was introduced on September 19, 2019, by Representative Sharice Davids (D-IL) and Rep. Jim Hagedorn (R-MN). H.R. 4405 was reported by the House Committee on Small Business on October 17, 2019 and passed the House under Suspension of the Rules by voice vote.

H.R. 4405 was received in the Senate and referred to the Committee on Small Business and Entrepreneurship on October 22, 2019.

SMALL BUSINESS DEVELOPMENT CENTERS IMPROVEMENT ACT OF 2019

H.R. 4406

Summary

H.R. 4406 modernizes and strengthens the Small Business Development Center (SBDC) network and authorizes funding for the SBDC program for four years (FY2020–FY2023) at \$175 million for each fiscal year. The bill also requires an annual report to measure the effectiveness of the SBDC program and allows for the promotion and advertising of the program and its services.

Legislative History

H.R. 4406 was introduced on September 19, 2019, by Representative Jared Golden (D-ME) and Representative Aumua Amata Coleman Radewagen (R-AS). H.R. 4406 was reported by the House Committee on Small Business on October 17, 2019, and passed the House on October 21, 2019 under Suspension of the Rules by a vote of 375–25 (Roll Call no. 569). H.R. 4406 was received in the Senate and referred to the Committee on Small Business and Entrepreneurship on October 22, 2019.

SCORE FOR SMALL BUSINESS ACT OF 2019

H.R. 4407

Summary

H.R. 4407 amends the Small Business Act to strengthen the Service Corps of Retired Executives (SCORE) and restores integrity, accounting, and performance to the program. The bill includes certain safeguards, ensuring the Small Business Administration is a good agent of government funds and the counseling and training program is operating effectively and efficiently for the 30 million small business owners and aspiring entrepreneurs throughout the country. More specifically, the bill protects taxpayers' dollars, ensures federal contracts are awarded properly, aligns salaries and performances with federal standards, protects whistleblowers, and expands services and promotes diversity.

Legislative History

H.R. 4407 was introduced on September 19, 2019, by Representative Kevin Hern (R-OK) and Representative Angie Craig (D-MN). H.R. 4407 was reported by the House Committee on Small Business on October 17, 2019, and passed the House on October 21, 2019 under Suspension of the Rules by a vote of 389–8 (Roll Call

No. 570). H.R. 4407 was received in the Senate and referred to the Committee on Small Business and Entrepreneurship on October 22, 2019.

PRISON TO PROPRIETORSHIP FOR FORMERLY INCARCERATED ACT

H.R. 5065

Summary

H.R. 5065 directs the Service Corps of Retired Executives (SCORE) to provide mentoring, workshops, and training videos for formerly incarcerated individuals on how to launch and grow small businesses. H.R. 5065 provides individualized business mentoring to support the development of business plans and entrepreneurial growth for recipients of the prison to proprietorship services up to a year after release; connect individuals with small business networks and resources; identify opportunities to access capital when appropriate; develop a series of instructional videos designed specifically for incarcerated and formerly incarcerated individuals; and host workshops on topics specifically tailored to meet the needs of formerly incarcerated individuals.

Legislative History

H.R. 5065 was introduced on November 13, 2019 by Representative Hakeem Jeffries (D-NY) and Representative Tim Burchett (R-TN). H.R. 5065 was reported by the House Committee on Small Business on December 12, 2019, and passed the House by voice vote under Suspension of the Rules on January 8, 2020. H.R. 5065 was received by the Senate and referred to the Committee on Small Business and Entrepreneurship on January 9, 2020.

PRISON TO PROPRIETORSHIP ACT

H.R. 5078

Summary

H.R. 5078 directs the Associations of Women's Business Centers and Small Business Development Centers to coordinate re-entry entrepreneurship services. Coordination includes developing the curriculum, training mentors and instructors, identifying opportunities to access capital, and establishing public-private partnerships to support formerly incarcerated men and women. Modeled after the successful Boots to Business program, which provides entrepreneurship training to servicemembers as they transition from military to civilian life, the re-entry entrepreneurship services provided through H.R. 5078 include an introductory presentation highlighting the opportunities in small business; a self-study course focused on the basics of entrepreneurship, the language of business, and small business ownership; five two-day sessions of in-depth classroom instruction introducing the foundations of self-employment; and one-on-one mentorship.

Legislative History

H.R. 5078 was introduced on November 13, 2019 by Chairwoman Nydia Velázquez (D-NY) and Ranking Member Steve Chabot (R-OH). H.R. 5078 was reported by the House Committee on Small

Business on December 12, 2019, and passed the House under Suspension of the Rules by a vote of 370–41 (Roll Call No. 8). H.R. 5078 was received in the Senate and read twice and referred to the Committee on Small Business and Entrepreneurship on January 13, 2020.

CAPTURING ALL SMALL BUSINESSES ACT OF 2019

H.R. 5130

Summary

H.R. 5130 amends the Small Business Act to extend the calculation period for the employee-based size standard from the preceding “12 months” to “24 months.” The purpose of the bill is to provide parity between the employee-based size standard and the receipts-based size standard, whose calculation had been recently modified by the Small Business Runway Extension Act of 2018 (Pub. L. 115–324). The bill also provides language specifying that, when establishing size standards, the Small Business Administration is subject to the requirements in the Small Business Act that encompass the employee-based formula as modified and sets an effective date of a year after its enactment.

Legislative History

H.R. 5130 was introduced on November 15, 2019 by Representative Mark Veasey (D–TX) and Representative Kevin Hern (R–OK). H.R. 5130 was reported by the House Committee on Small Business on December 19, 2019, and passed the House on January 8, 2020, under Suspension of the Rules by voice vote. H.R. 5130 was included in H.R. 6395, the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021. H.R. 6395 was reported, as amended, by the House Committee on Armed Services on July 9, 2020, and passed the House on July 21, 2020, by a vote of 295–125 (Roll Call No. 152). H.R. 5130 was included in the final version of the National Defense Authorization Act of 2021, (H.R. 6395).

UNLOCKING OPPORTUNITIES FOR SMALL BUSINESSES ACT OF 2019

H.R. 5146

Summary

H.R. 5146 amends the Small Business Act to require the Small Business Administration (SBA) to promulgate regulations requiring contracting officers to consider the past performance of a joint venture, when evaluating an offer on a prime contract presented by the small business joint venture member. The small business concern must specify its own duties and responsibilities independent of its joint venture partner. Similarly, H.R. 5146 requires the SBA to promulgate regulations requiring contracting officers to accept past performance information provided by a prime contractor regarding its small business subcontractor, when evaluating an offer on a prime contract presented by the small business concern.

Legislative History

H.R. 5146 was introduced on November 18, 2019, by Representative Jim Hagedorn (R–MN) and Representative Dwight Evans (D–PA). H.R. 5146 was reported by the House Committee on Small Business on December 19, 2019 and passed the House on January 8, 2020, under Suspension of the Rules by voice vote. H.R. 5146 was also included in H.R. 6395, the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021. H.R. 6395 was reported, as amended, by the House Committee on Armed Services on July 9, 2020, and passed the House on July 21, 2020 by a vote of 295–125 (Roll Call No. 152). H.R. 5146 was included in the final version of the National Defense Authorization Act of 2021, (H.R. 6395).

NORTHERN MARIANA ISLANDS SMALL BUSINESS DEVELOPMENT ACT

H.R. 6021

Summary

H.R. 6021 amends the Small Business Act to allow the Commonwealth of the Northern Mariana Islands to establish a lead Small Business Development Center (SBDC) on the islands and be eligible for funding. The bill requires the Small Business Development Center established in the Commonwealth of the Northern Mariana Islands to meet the same 50 percent match funding requirement met by Small Business Development Centers in other states and territories. However, the bill waives the requirement that the new Small Business Development Center be established at a higher education institution because the Commonwealth of the Northern Mariana Islands does not have a college or university to operate a Small Business Development Center on-campus. Lastly, this bill allows the Commonwealth of the Northern Mariana Islands to be eligible for funds through the Federal and State Technology (FAST) Partnership Program in order to increase the number of Small Business Innovation Research (SBIR) and Small Business Technical Transfer (STTR) applications.

Legislative History

H.R. 6021 was introduced on February 28, 2020 by Representative Gregorio Sablan (D–MP) and Representative Aumua Amata Coleman Radewagen (R–AS). H.R. 6021 was ordered to be Reported by voice vote on March 11, 2020, and passed the House by voice vote under Suspension of the Rules on September 14, 2020. H.R. 6021 was received by the Senate and referred to the Committee on Small Business and Entrepreneurship on September 15, 2020. H.R. 6021 was also included in H.R. 6395, the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021. H.R. 6395 was reported, as amended, by the House Committee on Armed Services on July 9, 2020, and passed the House on July 21, 2020, by a vote of 295–125 (Roll Call No. 152). On July 23, 2020 the Senate passed H.R. 6395 by a vote of 86–14 (Record Vote Number: 140). H.R. 6021 was included in the final version of the National Defense Authorization Act of 2021, (H.R. 6395).

SMALL BUSINESS RELIEF FROM COMMUNICABLE DISEASE INDUCED
ECONOMIC HARDSHIP ACT OF 2020

H.R. 6040

Summary

H.R. 6040 amends the Small Business Act to expand the definition of a disaster for which the Small Business Administration (SBA) may provide disaster loans to small business concerns to include communicable diseases for which the government issues a travel alert or travel warning, and it authorizes the SBA to make interest free disaster loans to small businesses affected by a disaster for which the government issues a public health emergency.

Legislative History

H.R. 6040 was introduced on February 28, 2020 by Chairwoman Nydia M. Velázquez (D-NY), Representative Judy Chu (D-CA), Representative Grace Meng (D-NY), and Representative Antonio Delgado (D-NY). A similar provision was included in H.R. 6074, the Coronavirus Preparedness and Response Supplemental Appropriations Act in Title II. H.R. 6074 passed the House under Suspension of the Rules by a vote of 415–2 (Roll Call No. 86), passed the Senate by a vote of 96–1 (Record Vote No. 66), and signed by the President on March 6, 2020 becoming Pub. Law. No. 116–123.

MICROLOAN TRANSPARENCY AND ACCOUNTABILITY ACT OF 2020

H.R. 6078

Summary

H.R. 6078 amends the Small Business Act to make rural-based intermediaries eligible to receive a bonus technical assistance grant and expands Small Business Administration (SBA) reporting on key Microloan performance metrics, including the number, amount, and percentage of such loans that defaulted in the previous year; the extent to which Microloans are provided to small businesses in rural areas; and the average loan size, interest rate, fees charged for each Microloan. Specifically, H.R. 6078 provides a 5 percent technical assistance grant for intermediaries who make at least 25 percent of their loans to rural small businesses.

Legislative History

H.R. 6078 was introduced on March 4, 2020 by Representatives Tim Burchett (R-TN) and Andy Kim (D-NJ). H.R. 6078 was ordered to be reported by voice vote by the House Committee on Small Business on March 11, 2020, and passed the House, as amended, on September 14, 2020 under Suspension of the Rules by voice vote. H.R. 6078 was received in the Senate and read twice and referred to the Committee on Small Business and Entrepreneurship on September 15, 2020.

MICROLOAN IMPROVEMENT ACT OF 2020

H.R. 6079

Summary

H.R. 6079 amends the Small Business Act to make numerous program changes that enhance the ability of Microloan Intermediaries to provide affordable capital and technical assistance to existing microbusinesses and aspiring entrepreneurs. Among other provisions, H.R. 6079 eliminates the 1/55 rule, which has restricted the ability of high-volume intermediaries to meet demand in their respective states; lowers interest rates for eligible intermediaries; and extends repayment terms to seven years for Microloans of \$10,000 or less and to ten years for Microloans greater than \$10,000.

Legislative History

H.R. 6079 was introduced on March 4, 2020 by Representatives Andy Kim (D–NJ) and Tim Burchett (R–TN). H.R. 6079 was ordered to be reported by voice vote by the House Committee on Small Business on March 11, 2020 and passed by the House on September 14, 2020 under Suspension of the Rules by voice vote. H.R. 6079 was received in the Senate and read twice and referred to the Committee on Small Business and Entrepreneurship on September 15, 2020.

STEP IMPROVEMENT ACT OF 2020

H.R. 6133

Summary

H.R. 6133 reauthorizes the State Trade Expansion Program (STEP) for four fiscal years, FY 2021 through FY 2024, and makes improvements to the program. Specifically, H.R. 6133 mandates the creation of a standardized application process, increases grant spending flexibility, improves communication between the Small Business Administration and States. The bill also requires the collection of performance metrics and an annual report to Congress.

Legislative History

H.R. 6133 was introduced on March 4, 2020, by Representative Abby Finkenauer (D–IA) and Representative Ross Spano (R–FL). H.R. 6133 was ordered to be reported by voice vote by the House Committee on Small Business on March 11, 2020 and passed the House by voice vote under Suspension of the Rules on September 14, 2020. H.R. 6133 was received in the Senate and read twice and referred to the Committee on Small Business and Entrepreneurship on September 15, 2020.

MICROLOAN EMERGENCY ASSISTANCE ACT OF 2020

H.R. 6291

Summary

H.R. 6291 expands the Microloan Program of the Small Business Administration (SBA). Specifically, the bill increases the amount of

funds available to an individual loan intermediary (i.e., a recipient of SBA direct loans that, in turn, makes microloans to startups and newly established or growing small businesses). The bill also makes eligible for certain technical assistance grants an intermediary that, among other requirements, provides at least 25% of its loans to small businesses in an economically distressed area.

In addition, the bill temporarily (1) extends repayment terms for microloans, and (2) authorizes the SBA to provide increased amounts for both technical assistance grants and direct loans. The bill also requires the SBA to temporarily waive (1) the requirement that an intermediary contribute non-federal funds as a condition of receiving a technical assistance grant, and (2) the limitation on amounts allowed to be expended to provide certain information and technical assistance.

Legislative History

H.R. 6291 was introduced on March 19, 2020 by Representative Andy Kim (D-NJ). A similar provision was included in H.R. 925, as amended, the Heroes Act as Section 605 of Division E. H.R. 925, as amended passed the House under Suspension of the Rules by a vote of 214–207 (Roll Call No. 214) on October 1, 2020. A similar provision was included in H.R. 133, as amended, the Consolidated Appropriations Act, 2021 as Section 329 of Title III of Division N. H.R. 133, as amended passed the House on December 21, 2020 by a vote of 327–85 (Roll Call No. 250) and a vote of 359–53 (Roll Call No. 251), passed by the Senate by a vote of 92–60 (Record Vote No. 289), and signed by the President on December 27, 2020.

SBA REACHING ALL COMMUNITIES ACT OF 2020

H.R. 6301

Summary

H.R. 6301 amends the Small Business Act to require the Small Business Administration to provide resources and services to small businesses in the 10 most commonly spoken languages, other than English, in the United States. This shall include Mandarin, Cantonese, Japanese, and Korean.

Legislative History

H.R. 6301 was introduced on March 19, 2020 by Representative Judy Chu (D-CA). A similar provision was included in H.R. 748, the Coronavirus Aid, Relief, and Economic Security Act or the CARES Act as Section 1111. H.R. 748, as amended passed the Senate by a vote of 96–0 (Record Vote No. 80) on March 25, 2020, passed the House with the Senate amendment under Suspension of the Rules by voice vote on March 27, 2020, and signed by the President on March 27, 2020 becoming Pub. Law. No. 116–136.

INCREASING ACCESS TO CAPITAL ACT OF 2020

H.R. 6303

Summary

H.R. 6303 requires the Small Business Administration (SBA) to temporarily waive, or reduce to the maximum extent possible, cer-

tain fees on SBA loans. The bill also temporarily increases the guarantee amount and loan size for certain SBA loans, including express loans, and it permanently waives the guarantee fee on SBA loans for veterans.

Legislative History

H.R. 6303 was introduced on March 19, 2020 by Representative Jason Crow (D-CO). A similar provision was included in H.R. 925, as amended, the Heroes Act in Title VI of Division E.

H.R. 925, as amended passed the House under Suspension of the Rules by a vote of 214–207 (Roll Call No. 214) on October 1, 2020. A similar provision was included in H.R. 133, as amended, the Consolidated Appropriations Act, 2021 as Section 326, 327, and 328 of Title III of Division N.

H.R. 133, as amended passed the House on December 21, 2020 by a vote of 327–85 (Roll Call No. 250) and a vote of 359–53 (Roll Call No. 251), passed by the Senate by a vote of 92–60 (Record Vote No. 289), and signed by the President on December 27, 2020.

SMALL BUSINESS REPAYMENT RELIEF ACT OF 2020

H.R. 6304

SUMMARY

H.R. 6304 amends the Small Business Act to require the Small Business Administration (SBA) to pay the principal, interest, and any associated fees owed on certain loans made to small businesses for a six-month period. The SBA must also encourage the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, and state bank regulators to not require lenders to increase their reserves on account of receiving such payments made by the SBA. The SBA shall waive statutory limits on maximum loan maturities for certain loan durations where the lender provides a deferral and extends the maturity of such loans and, when necessary to provide more time because of difficulties during the COVID–19 (i.e., coronavirus disease 2019) pandemic, extend lender site visit requirements.

Legislative History

H.R. 6304 was introduced on March 19, 2020 by Representative Antonio Delgado (D-NY). A similar provision was included in H.R. 748, the Coronavirus Aid, Relief, and Economic Security Act or the CARES Act as Section 1112. H.R. 748, as amended passed the Senate by a vote of 96–0 (Record Vote No. 80) on March 25, 2020, passed the House with the Senate amendment under Suspension of the Rules by voice vote on March 27, 2020, and signed by the President on March 27, 2020 becoming Pub. Law. No. 116–136.

SMALL BUSINESS COVID–19 RECOVERY GRANTS ACT OF 2020

H.R. 6343

Summary

H.R. 6343 amends the Small Business Act to require the Small Business Administration to provide grants to small businesses that

have suffered substantial economic injury as a result of COVID-19 (i.e., coronavirus disease 2019). Such grants may not exceed a specified amount and may be used to address direct effects of COVID-19, including (1) providing paid sick leave to employees, (2) maintaining payroll, and (3) meeting increased supply chain costs.

Legislative History

H.R. 6343 was introduced on March 23, 2020 by Representative Adriano Espaillat (D-NY). A similar provision was included in H.R. 925, as amended, the Heroes Act as Section 405 of Division E. H.R. 925, as amended passed the House under Suspension of the Rules by a vote of 214–207 (Roll Call No. 214) on October 1, 2020. A similar provision was included in H.R. 133, as amended, the Consolidated Appropriations Act, 2021 as Sections 331 and 332 of Title III of Division N. H.R. 133, as amended passed the House on December 21, 2020 by a vote of 327–85 (Roll Call No. 250) and a vote of 359–53 (Roll Call No. 251), passed by the Senate by a vote of 92–60 (Record Vote No. 289), and signed by the President on December 27, 2020.

EXPEDITING THE EIDL PROGRAM ACT OF 2020

H.R. 6344

Summary

H.R. 6344 amends the Small Business Act to modify the disbursement of economic injury disaster loans by the Small Business Administration (SBA) with respect to such loans made in response to COVID-19 (i.e., coronavirus disease 2019). Specifically, the bill authorizes the SBA to increase the amount of a disaster loan to a small business by 20% to cover costs related to continuity of operations and risk mitigation improvements. The bill also authorizes the SBA to make such loans to startups and to waive rules related to affiliation, and it requires the SBA to waive the personal guarantee requirement on such loans made to cooperatives.

In addition, an applicant for a disaster loan may request an advance on such loan up to a specified amount, and they shall not be required to repay any amount of an advance if they are subsequently denied a disaster loan. The bill also authorizes the SBA to approve an applicant for a disaster loan that is below a certain amount based solely on the applicant's credit score and to use alternative methods to determine such applicant's ability to repay. Further, the bill establishes a maximum interest rate on a disaster loan based on an applicant's ability to obtain credit elsewhere, and it expands the qualifying events for which a disaster loan may be awarded to include emergencies involving federal primary responsibility.

Legislative History

H.R. 6344 was introduced on March 23, 2020 by Representative Dwight Evans (D-PA). A similar provision was included in H.R. 748, the Coronavirus Aid, Relief, and Economic Security Act or the CARES Act as Section 1110. H.R. 748, as amended passed the Senate by a vote of 96–0 (Record Vote No. 80) on March 25, 2020, passed the House with the Senate amendment under Suspension

of the Rules by voice vote on March 27, 2020, and signed by the President on March 27, 2020 becoming Pub. Law. No. 116–136.

STEP REIMBURSEMENT ACT OF 2020

H.R. 6345

Summary

H.R. 6345 amends the Small Business Act to require the Small Business Administration to reimburse any recipient of a grant under the State Trade Expansion Program for financial losses relating to a foreign trade mission or a trade show exhibition that was cancelled due to COVID–19 (i.e., the coronavirus disease 2019). In addition, the bill authorizes a state that receives a grant under the program to revise their budget plan under certain circumstances.

Legislative History

H.R. 6345 was introduced on March 23, 2020 by Representative Abby Finkenauer (D–IA). A similar provision was included in H.R. 748, the Coronavirus Aid, Relief, and Economic Security Act or the CARES Act as Section 1104. H.R. 748, as amended passed the Senate by a vote of 96–0 (Record Vote No. 80) on March 25, 2020, passed the House with the Senate amendment under Suspension of the Rules by voice vote on March 27, 2020, and signed by the President on March 27, 2020 becoming Pub. Law. No. 116–136.

CONTINUITY OF BUSINESS OPERATIONS SUPPORT ACT OF 2020

H.R. 6349

Summary

H.R. 6349 amends the Small Business Act to require the Small Business Administration (SBA) to provide grants to small business development centers, women’s business centers, and chapters of the Service Corps of Retired Executives to educate and advise small businesses on specified matters related to COVID–19 (i.e., coronavirus disease 2019). The SBA must establish goals and metrics for the use of such funds awarded to small business development centers, which shall (1) consider the extent of the circumstances relating to the spread of COVID–19 that affect small businesses served by grant recipients, (2) ensure grant recipients have the flexibility to respond to unique situations, and (3) encourage grant recipients to develop and provide services to small businesses in areas substantially affected by COVID–19.

Legislative History

H.R. 6349 was introduced on March 23, 2020 by Representative Jared Golden (D–NE). A similar provision was included in H.R. 748, the Coronavirus Aid, Relief, and Economic Security Act or the CARES Act as Section 1103. H.R. 748, as amended passed the Senate by a vote of 96–0 (Record Vote No. 80) on March 25, 2020, passed the House with the Senate amendment under Suspension of the Rules by voice vote on March 27, 2020, and signed by the President on March 27, 2020 becoming Pub. Law. No. 116–136.

ENTREPRENEURIAL DEVELOPMENT COVID-19 RESPONSE ACT OF 2020

H.R. 6367

Summary

H.R. 6367 amends the Small Business Act to require the Small Business Administration to award grants for small business development centers, women's business centers, and chapters of the Service Corps of Retired Executives to provide small businesses with specified assistance related to COVID-19 (i.e., coronavirus disease 2019).

Legislative History

H.R. 6344 was introduced on March 23, 2020 by Representative Bradley Schneider (D-IL). A similar provision was included in H.R. 748, the Coronavirus Aid, Relief, and Economic Security Act or the CARES Act as Section 1105. H.R. 748, as amended passed the Senate by a vote of 96-0 (Record Vote No. 80) on March 25, 2020, passed the House with the Senate amendment under Suspension of the Rules by voice vote on March 27, 2020, and signed by the President on March 27, 2020 becoming Pub. Law. No. 116-136.

INCREASING ACCESS TO CAPITAL ACT OF 2020

H.R. 6697

Summary

H.R. 6697 modifies the Paycheck Protection Program implemented by the Small Business Administration in response to COVID-19 (i.e., coronavirus disease 2019) to include certain entities and exclude certain individuals. Specifically, the bill expands the program to encompass organizations with 300 or fewer employees that (1) operate under section 501(c)(6) of the Internal Revenue Code (other than a professional football league), or (2) are a destination marketing organization engaged in promoting communities and facilities to businesses and leisure travelers. The bill also narrows the definition of payroll costs under the program to exclude any compensation of an employee who is a registered lobbyist from the calculation for loan amounts or for allowable uses of funds provided under the program.

Legislative History

H.R. 6697 was introduced on May 5, 2020 by Representative Chris Pappas (D-NH), Representative Gilbert Cisneros (D-CA), Representative Brian Fitzpatrick (R-PA), and Representative Gregory Steube (R-FL). A similar provision was included in H.R. 925, as amended, the Heroes Act in Section 204 of Division E. H.R. 925, as amended passed the House under Suspension of the Rules by a vote of 214-207 (Roll Call No. 214) on October 1, 2020. A similar provision was included in H.R. 133, as amended, the Consolidated Appropriations Act, 2021 as Section 318 of Title III of Division N. H.R. 133, as amended passed the House on December 21, 2020 by a vote of 327-85 (Roll Call No. 250) and a vote of 359-53 (Roll Call No. 251), passed by the Senate by a vote of 92-60 (Record Vote No. 289), and signed by the President on December 27, 2020.

TO AMEND THE SMALL BUSINESS ACT TO INCLUDE CERTAIN CRITICAL
ACCESS HOSPITALS IN THE PAYCHECK PROTECTION PROGRAM, AND
FOR OTHER PURPOSES

H.R. 6716

Summary

H.R. 6716 expands the Paycheck Protection Program, established to support small businesses in response to COVID-19 (i.e., coronavirus disease 2019), to encompass critical access hospitals. A critical access hospital is a hospital that, among other things, is located in a rural area, furnishes 24–7 emergency services, and has 25 or fewer inpatient beds.

Legislative History

H.R. 6716 was introduced on May 5, 2020 by Representative Jared Golden (D–ME). A similar provision was included in H.R. 925, as amended, the Heroes Act in Section 204 of Division E. H.R. 925, as amended passed the House under Suspension of the Rules by a vote of 214–207 (Roll Call No. 214) on October 1, 2020.

SMALL BUSINESS TRANSPARENCY AND REPORTING FOR THE
UNDERBANKED AND TAXPAYERS AT HOME ACT OR THE TRUTH ACT

H.R. 6782

Summary

H.R. 6782 requires the Small Business Administration (SBA) to make information regarding economic relief measures implemented in response to COVID-19 (i.e., coronavirus disease 2019) publicly available. Specifically, with respect to the Paycheck Protection Program and economic injury disaster loans and emergency grants, the SBA must publish (1) the identity of each recipient of assistance and an explanation of the decision-making process underlying such disbursement; (2) the number of employees of each recipient and the date on which such assistance was disbursed; (3) an identification of each lender or intermediary through which assistance was disbursed; and (4) the amount of assistance disbursed to small businesses owned and controlled by socially and economically disadvantaged individuals, women, and veterans.

Legislative

History H.R. 6782 was introduced on May 8, 2020 by Representative Dean Phillips (D–MN), Representative J. Luis Correa (D–CA), Representative Janice Schakowsky (D–IL), Representative Lucille Roybal-Allard (D–CA), Representative Tom Malinowski (K–NJ), Representative Abigail Spanberger (D–VA), Representative Josh Gottheimer (D–NJ), Representative John Garamendi (D–CA), Representative Gregorio Sablan (D–MP), Representative Betty McCollum (D–MN), and Representative Debra Haaland (D–NM). H.R. 6782 failed the House on May 28, 2020 under Suspension of the Rules by a vote of 269–147 (Roll Call No. 113).

FAIR CHANCE FOR SMALL BUSINESS RELIEF ACT

H.R. 6894

Summary

H.R. 6894 prohibits the Small Business Administration from declining to provide or guarantee certain small business loans solely on the basis that an applicant (1) is on probation or parole, (2) is presently subject to a means by which formal criminal charges are brought (e.g., indictment or arraignment), or (3) has been arrested or convicted of any crime.

Legislative History

H.R. 6894 was introduced on May 15, 2020 by Representative Joyce Beatty (D–OH). A similar provision was included in H.R. 925, as amended, the Heroes Act as Section 218 of Division E. H.R. 925, as amended passed the House under Suspension of the Rules by a vote of 214–207 (Roll Call No. 214) on October 1, 2020.

LOCAL NEWS AND EMERGENCY INFORMATION ACT OF 2020

H.R. 6897

Summary

H.R. 6897 expands the Paycheck Protection Program, established to support small businesses in response to COVID–19 (i.e., coronavirus disease 2019), to include certain newspaper publishers, radio stations, and television broadcasters. Specifically, such a media purveyor is eligible to receive a paycheck protection loan if (1) the individual physical location that applies for the loan does not exceed Small Business Administration size standards (up to 1,000 employees for newspaper publishers and \$41.5 million in gross receipts for radio and television broadcasters); and (2) the proceeds of the loan are used to support the continued provision of local news, information, content, or emergency information. Such a recipient may not remit any portion of a paycheck protection loan to any entity other than the individual physical location that is the loan’s intended recipient.

Legislative History

H.R. 6897 was introduced on May 15, 2020 by Representative David Cicilline (D–RI) and Representative James Sensenbrenner (R–WI). A similar provision was included in H.R. 925, as amended, the Heroes Act as Section 204 of Division E. H.R. 925, as amended passed the House under Suspension of the Rules by a vote of 214–207 (Roll Call No. 214) on October 1, 2020. A similar provision was included in H.R. 133, as amended, the Consolidated Appropriations Act, 2021 as Section 317 of Title III of Division N. H.R. 133, as amended passed the House on December 21, 2020 by a vote of 327–85 (Roll Call No. 250) and a vote of 359–53 (Roll Call No. 251), passed by the Senate by a vote of 92–60 (Record Vote No. 289), and signed by the President on December 27, 2020.

RELIEF FOR MAIN STREET ACT

H.R. 6907

Summary

H.R. 6907 establishes for one year the Small Business Local Relief Program, which shall allocate resources to states, local governments, and Native American tribes for providing assistance to certain small businesses and nonprofits that have lost revenue due to COVID-19 (i.e., coronavirus disease 2019). Specifically, the bill provides \$50.5 billion for such assistance, of which (1) \$35 billion shall be distributed based on the Community Development Block Grant formula (70% allocated to larger cities and counties and 30% to rural communities), (2) \$15 billion shall be allocated to provide financing exclusively to businesses in rural areas, and (3) \$500 million shall be for Native American Tribes.

These amounts shall be used to start or scale a local small business emergency fund or to support organizations that provide technical assistance to small businesses or nonprofits. Such local funds or organizations may then use the amounts to assist small businesses (including sole proprietorships, independent contractors, and self-employed individuals) and nonprofits that (1) employ no more than 20 full-time employees (50 if the recipient is located in a low-income community), (2) has experienced a loss of revenue because of COVID-19, and (3) satisfies any additional requirements imposed by the administrator of the fund. A state, local government, or Native American tribe that receives funds under the bill must report specified demographic and disbursement information.

Legislative History

H.R. 6907 was introduced on May 15, 2020 by Daniel Kildee (D-MI) and Representative Brian Fitzpatrick (R-PA). A similar provision was included in H.R. 925, as amended, the Heroes Act as Section 618 of Division E. H.R. 925, as amended passed the House under Suspension of the Rules by a vote of 214–207 (Roll Call No. 214) on October 1, 2020.

PPE ACT

H.R. 6973

Summary

H.R. 6973 modifies allowable and forgivable uses of amounts received under the Paycheck Protection Program, established to support small businesses in response to COVID-19 (i.e., coronavirus disease 2019), to encompass costs related to the provision of personal protective equipment or other equipment or supplies necessary to protect the health and safety of employees. The bill also prohibits the Small Business Administration from limiting the non-payroll portion of a forgivable loan amount.

Legislative History

H.R. 6973 was introduced on May 22, 2020 by Representative Abby Finkenauer (D-IA) and Representative Aumua Amata Coleman Radewagen (R-AS). A similar provision was included in H.R.

925, as amended, the Heroes Act in Section 206 of Division E. H.R. 925, as amended passed the House under Suspension of the Rules by a vote of 214–207 (Roll Call No. 214) on October 1, 2020. A similar provision was included in H.R. 133, as amended, the Consolidated Appropriations Act, 2021 as Section 304 of Title III of Division N. H.R. 133, as amended passed the House on December 21, 2020 by a vote of 327–85 (Roll Call No. 250) and a vote of 359–53 (Roll Call No. 251), passed by the Senate by a vote of 92–60 (Record Vote No. 289), and signed by the President on December 27, 2020.

PAYCHECK PROTECTION PROGRAM FLEXIBILITY ACT OF 2020

H.R. 7010

Summary

H.R. 7010 modifies provisions related to the forgiveness of loans made to small businesses under the Paycheck Protection Program implemented in response to COVID–19 (i.e., coronavirus disease 2019). Specifically, the bill establishes a minimum maturity of five years for a paycheck protection loan with a remaining balance after forgiveness. The bill also extends the covered period during which a loan recipient may use such funds for certain expenses while remaining eligible for forgiveness. The bill raises the non-payroll portion of a forgivable covered loan amount from the current 25% up to 40%.

The bill extends the period in which an employer may rehire or eliminate a reduction in employment, salary, or wages that would otherwise reduce the forgivable amount of a paycheck protection loan. However, the forgivable amount must be determined without regard to a reduction in the number of employees if the recipient is (1) unable to rehire former employees and is unable to hire similarly qualified employees, or (2) unable to return to the same level of business activity due to compliance with federal requirements or guidance related to COVID–19.

Additionally, the bill revises the deferral period for paycheck protection loans, allowing recipients to defer payments until they receive compensation for forgiven amounts. Recipients who do not apply for forgiveness shall have 10 months from the program’s expiration to begin making payments. The bill also eliminates a provision that makes a paycheck protection loan recipient who has such indebtedness forgiven ineligible to defer payroll tax payments. Lastly, the bill is designated as an emergency requirement pursuant to the Statutory Pay-As-You-Go Act of 2010 (PAYGO) and the Senate PAYGO rule.

Legislative History

H.R. 7010 was introduced on May 26, 2020 by Representative Dean Phillips (D–MN) and Representative Chip Roy (R–TX). H.R. 7010 passed the House under Suspension of the Rules by a vote of 417–1 (Roll Call No. 114), passed the Senate by voice vote, and was signed into law on June 5, 2020 (Pub. Law No. 116–142).

Summary

H.R. 7241 authorizes new lending under the Paycheck Protection Program, established to support small businesses in response to COVID-19 (i.e., coronavirus disease 2019), for specified small businesses that have experienced a significant loss in revenue. Specifically, the bill authorizes one supplemental paycheck protection loan for a small business that (1) has no more than 100 employees, (2) operates under a sole proprietorship or as an independent contractor, or (3) is self-employed. To be eligible for a supplemental paycheck protection loan, such small business must demonstrate a loss of revenue of 50% or more and have either already expended an initial paycheck protection loan or be on pace to exhaust such loan prior to disbursement of the supplemental loan.

The bill also extends the application deadline for an initial paycheck protection loan to December 31, 2020, and it authorizes loan recipients to apply for forgiveness as early as eight weeks after the loan's disbursement. The Small Business Administration must (1) issue guidance instructing lenders of paycheck protection loans to prioritize loan processing for and disbursement to underserved businesses, (2) update the loan application for paycheck protection loans to collect borrowers' demographic information, and (3) publish specified program information on its website.

Legislative History

H.R. 7241 was introduced on June 18, 2020 by Representative Angie Craig (D-MN) and Representative Antonio Delgado (D-NY). A similar provision was included in H.R. 925, as amended, the Heroes Act in Section 202 of Division E. H.R. 925, as amended passed the House under Suspension of the Rules by a vote of 214-207 (Roll Call No. 214) on October 1, 2020. A similar provision was included in H.R. 133, as amended, the Consolidated Appropriations Act, 2021 as Section 311 of Title III of Division N. H.R. 133, as amended passed the House on December 21, 2020 by a vote of 327-85 (Roll Call No. 250) and a vote of 359-53 (Roll Call No. 251), passed by the Senate by a vote of 92-60 (Record Vote No. 289), and signed by the President on December 27, 2020.

FEDERAL SMALL BUSINESS CONTRACTOR PROMPT PAYMENT
REPORTING ACT

H.R. 7342

Summary

H.R. 7342 amends the Small Business Act to require each federal agency to report to Congress on the timeliness, including acceleration, of payments made to a prime contractor that is a small business or that subcontracts with a small business.

Legislative History

H.R. 7342 was introduced on June 25, 2020 by Representative Jason Crow (D-CO) and Representative Troy Balderson (R-OH).

H.R. 7342 was included in H.R. 6395, the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021. H.R. 6395 was reported, as amended, by the House Committee on Armed Services on June 9, 2020, and passed the House on July 21, 2020, by a vote of 295–125 (Roll Call No. 152). H.R. 7342 was included in the final version of the National Defense Authorization Act of 2020, (H.R. 6395).

PROTECTING SMALL BUSINESS CONTRACTING OPPORTUNITIES OF 2020

H.R. 7403

Summary

H.R. 7403 exempts certain contracts awarded to small businesses from the procedural requirements of any federal rule or guidance on category management or contract consolidation and limits the inclusion of such contracts when measuring the attainment of any federal goal or benchmark for category management or contract consolidation. Such contracts are government contracts awarded pursuant to Small Business Administration programs that facilitate contracting with small businesses owned by socially and economically disadvantaged individuals or entities, women, or veterans, or are located in historically underutilized business zones.

Legislative History

H.R. 7403 was introduced on June 29, 2020 by Representative Chrissy Houlahan (D–PA) and Representative John Joyce (R–PA). H.R. 7403 was included in H.R. 6395, the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021. H.R. 6395 was reported, as amended, by the House Committee on Armed Services on June 9, 2020, and passed the House on July 21, 2020, by a vote of 295–125 (Roll Call No. 152). H.R. 7342 was not included in the final version of the National Defense Authorization Act of 2020, (H.R. 6395).

SMALL BUSINESS CATEGORY MANAGEMENT TRAINING ACT

H.R. 7533

Summary

H.R. 7533 requires the Small Business Administration to develop a training curriculum on category management, including best practices for purchasing goods and services from small businesses, for the staff of federal agencies with procurement or acquisition responsibilities. Category management is a federal government approach to procurement and acquisition that aims to (1) deliver more savings, value, and efficiency for federal agencies; (2) eliminate contract redundancies; and (3) meet federal small business contracting and procurement goals.

Legislative History

H.R. 7533 was introduced on July 9, 2020 by Representative John Joyce (R–PA). H.R. 7533 was included in H.R. 6395, the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021. H.R. 6395 was reported, as amended, by the House Committee on Armed Services on June 9, 2020, and passed

the House on July 21, 2020, by a vote of 295–125 (Roll Call No. 152). H.R. 7342 was included in the final version of the National Defense Authorization Act of 2020, (H.R. 6395).

TO TEMPORARILY EXTEND PARTICIPATION IN THE 8(A) PROGRAM OF
THE SMALL BUSINESS ADMINISTRATION, AND FOR OTHER PURPOSES.

H.R. 7586

Summary

H.R. 7586 amends the Small Business Act to require the Small Business Administration to allow any small business participating in its 8(a) Business Development program to extend participation by a period of one year. The 8(a) Business Development program limits competition for certain government contracts to small businesses that participate in the program.

Legislative History

H.R. 7586 was introduced on July 13, 2020 by Representative Dwight Evans (D–PA) and Representative Ross Spano (R–PA). H.R. 7586 was included in H.R. 925, the Heroes Act. H.R. 925 passed the House on a motion to concur in the Senate amendments with an amendment agreed to by a vote of 214–207 (Roll Call No. 214). H.R. 7586 was included in H.R. 6395, the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021. H.R. 6395 was reported, as amended, by the House Committee on Armed Services on June 9, 2020, and passed the House on July 21, 2020, by a vote of 295–125 (Roll Call No. 152). H.R. 7342 was included in the final version of the National Defense Authorization Act of 2020, (H.R. 6395). A similar provision was included in H.R. 133, as amended, the Consolidated Appropriations Act, 2021 as Section 330 of Title III of Division N. H.R. 133, as amended passed the House on December 21, 2020 by a vote of 327–85 (Roll Call No. 250) and a vote of 359–53 (Roll Call No. 251), passed by the Senate by a vote of 92–60 (Record Vote No. 289), and signed by the President on December 27, 2020.

PAYCHECK PROTECTION SMALL BUSINESS FORGIVENESS ACT

H.R. 7777

Summary

H.R. 7777 modifies loan forgiveness under the Paycheck Protection Program established to support small businesses in response to COVID–19 (i.e., coronavirus disease 2019). Specifically, the bill provides for automatic forgiveness of a paycheck protection loan that is not more than \$150,000 if the recipient submits a one-page form. Such form must allow a recipient to submit specified demographic and expenditure information, and certain individuals (e.g., the President, the Vice President, or the head of an executive department) are not eligible for such forgiveness. Further, the bill prohibits any enforcement or other action against a lender relating to loan origination, forgiveness, or guarantee based on the lender's reliance on certifications or documentation submitted by a loan applicant or recipient.

Legislative History

H.R. 7777 was introduced on July 24, 2020 by Representative Chrissy Houlahan (D-PA) and Representative Fred Upton (R-MI). A similar provision was included in H.R. 925, as amended, the Heroes Act in Section 201 of Division E. H.R. 925, as amended passed the House under Suspension of the Rules by a vote of 214–207 (Roll Call No. 214) on October 1, 2020. A similar provision was included in H.R. 133, as amended, the Consolidated Appropriations Act, 2021 as Section 307 of Title III of Division N. H.R. 133, as amended passed the House on December 21, 2020 by a vote of 327–85 (Roll Call No. 250) and a vote of 359–53 (Roll Call No. 251), passed by the Senate by a vote of 92–60 (Record Vote No. 289), and signed by the President on December 27, 2020.

SAVE OUR STAGES ACT OR SOS ACT

H.R. 7806

Summary

H.R. 7806 authorizes the Small Business Administration (SBA) to make grants to eligible live venue operators, producers, promoters, or talent representatives to address the economic effects of the COVID–19 (i.e., coronavirus disease 2019) pandemic on certain live venues. Specifically, the SBA may make (1) an initial grant of up to \$12 million dollars to an eligible operator, promoter, producer, or talent representative; and (2) a supplemental grant that is equal to 50% of the initial grant. An initial grant must be used for costs incurred between March 1, 2020, and December 31, 2020, but a supplemental grant may be used for expenses incurred through June 30, 2021. Such grants shall be used for specified expenses such as payroll costs, rent, utilities, and personal protective equipment.

Legislative History

H.R. 7806 was introduced on July 27, 2020 by Representative Peter Welch (D-VT) and Representative Roger Williams (R-TX). A similar provision was included in H.R. 925, as amended, the Heroes Act as Section 619 of Division E. H.R. 925, as amended passed the House under Suspension of the Rules by a vote of 214–207 (Roll Call No. 214) on October 1, 2020. A similar provision was included in H.R. 133, as amended, the Consolidated Appropriations Act, 2021 as Section 324 of Title III of Division N. H.R. 133, as amended passed the House on December 21, 2020 by a vote of 327–85 (Roll Call No. 250) and a vote of 359–53 (Roll Call No. 251), passed by the Senate by a vote of 92–60 (Record Vote No. 289), and signed by the President on December 27, 2020.

TO ESTABLISH THE COMMUNITY ADVANTAGE LOAN PROGRAM, AND FOR
OTHER PURPOSES

H.R. 7903

Summary H.R. 7903 amends the Small Business Act to statutorily authorize the Small Business Administration's (SBA) Community Advantage Loan Program for five years (FY2021–FY2025). To expedite lending for seasoned Community Advantage lenders,

the bill also extends delegated lending authority to Community Advantage lenders who have made at least seven Community Advantage loans, and requires SBA to issue rules allowing Community Advantage lenders in good standing with SBA to maintain a three percent loan loss reserve ratio. To promote healthy dialogue between program participants and SBA, the bill also establishes a Community Advantage Working Group to develop ongoing recommendations for SBA to effectively manage, support, and promote the Community Advantage program, and establish metrics to evaluate the program's impact on expanding access to capital to underserved small businesses.

Legislative History

H.R. 7903 was introduced on July 31, 2020, by Representative Judy Chu (D-CA). An amendment offered by Rep. Jason Crow (D-CO) was agreed to by voice vote. An amendment offered by Representative Ross Spano (R-FL) was agreed to by voice vote. H.R. 7903 was ordered to be reported, as amended, by the House Committee on Small Business on September 16, 2020 by voice vote. H.R. 7903 passed the House by voice vote under Suspension of the Rules on December 3, 2020.

504 CREDIT RISK MANAGEMENT IMPROVEMENT ACT OF 2020

H.R. 8199

Summary

H.R. 8199 amends the Small Business Investment Act to shift loan closing file review responsibilities to the Small Business Administration's (SBA) Office of Credit Risk Management (OCRM), and allows SBA to charge Certified Development Companies (CDCs) a fee to cover the cost of oversight, which becomes effective one year after enactment. H.R. 8199 also clarifies OCRM's duties, as well as the enforcement actions OCRM may take against a CDC, which are aligned with those enacted under the 7(a) Oversight Act of 2018. H.R. 8199 also directs SBA to issue rules for CDC compliance with the National Environmental Policy Act of 1969.

Legislative History

H.R. 8199 was introduced on September 11, 2020, by Representative Dan Bishop (R-NC) and Representative Angie Craig (D-MN). H.R. 8199 ordered to be reported by the House Committee on Small Business on September 16, 2020 by voice vote. H.R. 8199 passed the House by voice vote under Suspension of the Rules on December 3, 2020.

504 MODERNIZATION AND SMALL MANUFACTURER ACT OF 2020

H.R. 8211

Summary

H.R. 8211 amends the Small Business Investment Act to increase the maximum loan amount for manufacturing loans from \$5.5 million to \$6.5 million and require Small Business Administration (SBA) District Offices to partner with SBA Resource Partners to provide entrepreneurial development assistance to small

manufacturers. To make 504 loans more affordable for small manufacturers, the bill also provides decreased project costs and adjusts collateral requirements and debt refinance parameters for small manufacturers. The bill also streamlines numerous administrative processes associated with the 504 loan closing process by allowing accredited Certified Development Companies (CDCs) to perform a number of closing-related tasks, such as correcting any borrower or lender information on loan documents. The bill also creates an “Express” loan closing program for 504 loans under \$500,000.

Legislative History

H.R. 8211 was introduced on September 11, 2020, by Representative Angie Craig (D-MN) and Ranking Member Steve Chabot (R-OH). Amendments were offered by Chairwoman Nydia Velázquez (D-NY), Ranking Member Steve Chabot (R-OH), and Representative Judy Chu (D-CA) and all agreed to by voice vote. H.R. 8211 was ordered to be reported, as amended, by the House Committee on Small Business on September 16, 2020 by voice vote. H.R. 8211, as amended passed the House by voice vote under Suspension of the Rules on December 3, 2020.

PARITY FOR HUBZONE APPEALS ACT OF 2020

H.R. 8229

Summary

H.R. 8229 directs the Small Business Administration (SBA) to issue regulations, no later than a year after its enactment, to grant the Office of Hearings and Appeals (OHA) jurisdiction over HUBZone status appeals. Currently, OHA does not hear appeals of HUBZone status protest determinations. Those appeals are heard by the SBA’s Associate Administrator of the Office of Government Contracting & Business Development (AA/GCBD). The purpose of the bill is to achieve parity and uniformity of appeal processes between the HUBZone Program and the SDVOSB and WOSB programs by shifting the responsibility to hear HUBZone status appeals from the AA/GCBD to OHA. H.R. 8229 promotes efficiency and guarantees expertise by providing OHA with jurisdiction over all program status appeals. Finally, it encourages transparency and consistency in opinions since OHA opinions are published.

Legislative History

H.R. 8229 was introduced on September 11, 2020 by Representative Aumua Amata Coleman Radewagen (R-AS) and Representative Chrissy Houlahan (D-PA). H.R. 8229 was ordered to be reported by the House Committee on Small Business on September 16, 2020 by voice vote. H.R. 8229 passed the House by voice vote under Suspension of the Rules on December 3, 2020.

SMALL BUSINESS DEBT RELIEF EXTENSION ACT OF 2020

H.R. 8376

Summary

H.R. 8376 extends and expands the debt relief for certain SBA loans that was provided in the CARES Act. Specifically, the bill ex-

tends for another six months to eighteen months loan subsidy payments on SBA 7(a), 504, and microloans.

Legislative History

H.R. 8376 was introduced on September 24, 2020 by Representative Antonio Delgado (D-NY). A similar provision was included in H.R. 925, as amended, the Heroes Act as Section 602 of Division E. H.R. 925, as amended passed the House under Suspension of the Rules by a vote of 214–207 (Roll Call No. 214) on October 1, 2020. A similar provision was included in H.R. 133, as amended, the Consolidated Appropriations Act, 2021 as Section 325 of Title III of Division N. H.R. 133, as amended passed the House on December 21, 2020 by a vote of 327–85 (Roll Call No. 250) and a vote of 359–53 (Roll Call No. 251), passed by the Senate by a vote of 92–60 (Record Vote No. 289), and signed by the President on December 27, 2020.

A BILL TO EXTEND THE AUTHORITY FOR COMMITMENTS FOR THE PAYCHECK PROTECTION PROGRAM AND SEPARATE AMOUNTS AUTHORIZED FOR OTHER LOANS UNDER SECTION 7(A) OF THE SMALL BUSINESS ACT, AND FOR OTHER PURPOSES.

S. 4116

Summary

S. 4116 extends through August 8, 2020, the application period for the Paycheck Protection Program established to support small businesses in response to COVID–19 (i.e., coronavirus disease 2019).

Legislative History

S. 4116 passed the House under Unanimous Consent on July 1, 2020 and signed by the President on July 4, 2020 (Pub. Law No. 116–147) The House bill, H.R. 7437 was introduced on July 1, 2020 by Representative Angie Craig (D-MN).

EXPRESSING SUPPORT FOR THE DESIGNATION OF THE WEEK OF MAY 5, 2019 THROUGH MAY 11, 2019, AS “NATIONAL SMALL BUSINESS WEEK” TO CELEBRATE THE CONTRIBUTIONS OF SMALL BUSINESSES AND ENTREPRENEURS IN EVERY COMMUNITY IN THE UNITED STATES.

H. RES. 347

Summary

H. Res. 347 celebrates the contributions of small businesses and entrepreneurs in every U.S. community and supports the designation of National Small Business Week. Further, it supports efforts to provide small businesses with aid and assistance through certain programs and initiatives.

Legislative History

H. Res. 347 was introduced on May 1, 2019 by Chairwoman Nydia Velázquez (D-NY) and Ranking Member Steve Chabot (R-OH) and most members of the committee.

EXPRESSING SUPPORT FOR THE RECOGNITION AND CELEBRATION OF THE VITAL ROLE OF SMALL BUSINESSES, ALONG WITH THE EFFORTS OF THE SMALL BUSINESS ADMINISTRATION TO HELP AMERICANS START, BUILD, AND GROW BUSINESSES.

H. RES. 730

Summary

H. Res. 730 recognizes and celebrates small businesses by (1) acknowledging the importance of promoting a business-friendly environment for small business owners, (2) encouraging young entrepreneurs to pursue their passions and create more startup businesses, and (3) conveying appreciation for the ways small businesses support their communities and workers.

Legislative History

H. Res. 730 was introduced on November 21, 2019 by Chairwoman Nydia Velázquez (D–NY) and Ranking Member Steve Chabot (R–OH) and all members of the committee.

EXPRESSING SUPPORT FOR THE DESIGNATION OF SEPTEMBER 22, 2020 TO SEPTEMBER 24, 2020, AS “NATIONAL SMALL BUSINESS WEEK” TO HONOR THE ENTREPRENEURIAL SPIRIT AND CONTRIBUTIONS OF SMALL BUSINESSES AND ENTREPRENEURS IN THE UNITED STATES

H. RES. 1134

Summary

H. Res. 1134 celebrates the contributions of small businesses and entrepreneurs in every U.S. community and supports the designation of National Small Business Week. Further, it supports efforts to provide small businesses with aid and assistance through certain programs and initiatives.

Legislative History

H. Res. 1134 was introduced on September 24, 2020 by Chairwoman Nydia Velázquez (D–NY) and Ranking Member Steve Chabot (R–OH) and most members of the committee.

EXPRESSING SUPPORT FOR THE RECOGNITION AND CELEBRATION OF THE VITAL ROLE OF SMALL BUSINESSES, ALONG WITH THE EFFORTS OF THE SMALL BUSINESS ADMINISTRATION TO HELP AMERICANS START, BUILD, AND GROW BUSINESSES.

H. RES. 1235

Summary

H. Res. 1235 recognizes and celebrates small businesses by (1) acknowledging the importance of promoting a business-friendly environment for small business owners, (2) supporting small firms through the COVID–19 crisis, (3) encouraging young entrepreneurs to pursue their passions and create more startup businesses, and (4) conveying appreciation for the ways small businesses support their communities and workers.

Legislative History

H. Res. 1235 was introduced on November 20, 2020 by Chairwoman Nydia Velázquez (D-NY) and Ranking Member Steve Chabot (R-OH) and members of the committee.

OVERSIGHT SUMMARY

Clause 1(d) of Rule XI of the Rules of the House of Representatives for the 116th Congress requires each standing committee, not later than January 2 of each odd numbered year, to submit to the House a report on the activities of that committee, including a separate section summarizing the oversight activities of that committee. The report shall also include a delineation of any hearings held pursuant to clauses 2(n), (o), or (p) of Rule XI related to waste, fraud and abuse in government programs.

PART A

FULL COMMITTEE HEARINGS

FIRST SESSION OF THE 116TH CONGRESS

THE SHUTDOWN: ECONOMIC IMPACT ON SMALL BUSINESSES

On Wednesday, February 6, 2019, the Committee on Small Business held a hearing entitled: “The Shutdown: Economic Impact on Small Businesses.” The hearing examined the impact the partial government shutdown had on small businesses, federal workers, contractors, and the general economy. The hearing provided an opportunity for Members of the Committee to hear directly from small business owners on how they were impacted from shuttered agencies.

The witnesses for the hearing were: Dr. Matthew D. Shapiro, Professor of Economics at the University of Michigan; Mr. Bill Butcher, Founder of Port City Brewing Company; Ms. Heidi Gerding, CEO of HeiTech Services, Inc. and Mr. Charles “Tee” Rowe, President and CEO of America’s Small Business Development Centers.

The witnesses expressed frustration and an inability to operate at full capacity, while awaiting a full resolution that can bring long-term certainty. Further, one witnesses outlined the impact the shutdown had on staff moral and their financial outlook for the remainder of the year. Dr. Matthew Shapiro, an Economist from the University of Michigan, also provided an analysis of what happens to family pocketbooks and consumer spending when a prolonged government shutdown occurs.

SMALL BUSINESS PRIORITIES FOR THE 116TH CONGRESS

On Wednesday, February 13, 2019, the Committee on Small Business held a hearing entitled: “Small Business Priorities for the 116th Congress.” The hearing was intended to inform future committee hearings, advocacy efforts, and legislative priorities. The hearing gave Members of the Committee the opportunity to hear

from small business organizations and small business owners on what priorities the 116th Congress should focus on and provided the Committee with ideas about federal policies that will help them grow their businesses.

The witnesses for the hearing were: Mr. John Arensmeyer, Founder & CEO of Small Business Majority; Ms. Sabrina Parsons, CEO of Palo Alto Software; Mr. J Kelly Conklin, CO-Owner & Founder Foley Wait LLC; and Mr. Thomas M. Sullivan, Vice President at Small Business Policy.

The panel discussed various policies, such as paid family leave, and SBA programming that has allowed them and their members to expand business operations, while also highlighting areas of concern. Witnesses also highlighted the need for updated access to reliable broadband for rural communities as a way to address the declining startup rate in these areas.

SUPPORTING AMERICA'S STARTUPS: REVIEW OF THE SBA'S ENTREPRENEURIAL DEVELOPMENT PROGRAMS

On Thursday, February 27, 2019, the Committee on Small Business held a hearing titled: "Supporting America's Startups: Review of the SBA's Entrepreneurial Development Programs." The hearing examined how the Small Business Administration's (SBA) Entrepreneurial Development programs work and offered Members of the Committee the opportunity to review the major technical assistance programs.

The witnesses for the hearing were: Mr. Charles "Tee" Rowe, President and CEO of America's Small Business Development Centers; Ms. Corinne Hodges, CEO, Association of Women Business Centers; Mr. W. Kenneth Yancey, Jr. CEO, SCORE; and Ms. Cherylynn Sagester, Director, Veterans Business Outreach Center, Old Dominion University, Virginia.

The witnesses provided testimony detailing the history and mission of each entrepreneurial development program, and they also made specific recommendations to improve the programs. Mr. Tee Rowe testified that the reauthorization of the Small Business Development Center (SBDC) program is long overdue and recommended that the Committee consider a proposal that would increase the authorization level for SBDCs, strengthen the collaboration between the Small Business Administration (SBA) and SBDCs, clarify SBDC marketing and co-sponsorship activities, and make several other changes. Ms. Hodges testified that legislation to reauthorize the Women's Business Centers (WBC) is necessary and certain changes were needed to strengthen the program. Ms. Hodges would like the Committee to consider proposals to increase the cap of \$150,000 per center, remove requirements that require centers to overmatch federal funds, increase federal funds, and strengthen data to better quantify the growth of women's entrepreneurship. Mr. Yancey testified about the history, mission, and activities of the SCORE program. More specifically, he discussed plans to centralize the accounting system at the national level to reduce the bookkeeping and reporting burdens for chapters, and their efforts to centralize the social media program so chapters could provide more counseling and mentoring. In addition, Mr. Yancey discussed an appropriation request of \$13.5 million in fund-

ing for SCORE. Ms. Sagester testified in support of the Boots to Business program and Veterans Business Outreach Centers.

REBUILDING AMERICA: SMALL BUSINESS PERSPECTIVE

On Wednesday, March 6, 2019, the Small Business Committee held a hearing titled: “Rebuilding America: Small Business Perspective.” The hearing allowed Members of the Committee to hear about the country’s current infrastructure needs and how small businesses can stand to benefit from a comprehensive plan that includes surface, broadband, and water, among others.

Witnesses included Ms. Terri Williams, Director, SBDC Procurement Technical Assistance Center, University of Texas at San Antonio (UTSA), San Antonio, Texas; Mr. Tim Donovan, Senior Vice President, Legislative Affairs, Competitive Carriers Association, Washington, D.C.; Ms. Roseline Bougher, President, A.D. Marble, King of Prussia, Pennsylvania (testify on behalf of the American Council of Engineering Companies); and The Honorable Kris Knochelmann, Judge Executive and President, Ohio-Kentucky-Indiana Regional Council of Governments, Kenton County, KY.

Ms. Williams testified that infrastructure powers businesses, creates opportunities for communities, enables trade, connects workers to their jobs, creates opportunities for struggling communities and protects the nation from an increasingly unpredictable natural environment. Her testimony highlighted that adequate broadband connects small businesses with customers, enables remote access to employees and improves operations. Ms. Williams also testified about the importance of government contracts for businesses in her area stating that the federal establishment of business utilization goals is a good start to rebuilding America’s business economy.

Ms. Bougher testified that Congress has a unique opportunity in 2019 to pass major infrastructure legislation to modernize the nation’s transportation, water, energy, and communications systems to enhance U.S. competitiveness in the global marketplace and provide robust contracting opportunities for small businesses like hers. In addition, she mentioned these will also provide local businesses with direct contracting opportunities, and the flow-down effect helps bolster other local economic activity as well. Mr. Knochelmann emphasized that small businesses are the lifeblood of the American economy but are also competing in a global economy. He testified that this depends on the adequately performing road, airports, and bridges mentioning that the current state of our crumbling infrastructure is stifling economic growth.

FLIPPING THE SWITCH ON RURAL DIGITAL ENTREPRENEURSHIP

On Wednesday, March 13, 2019, the Committee on Small Business held a hearing titled: “Flipping the Switch on Rural Digital Entrepreneurship.” According to U.S. Census data, only 17 percent of businesses are located in rural areas despite 97 percent of the nation being classified as rural. The hearing allowed Members of the Committee to review opportunities online technology holds and examine the barriers rural small businesses face.

Witnesses included Mr. Dana F. Connors, President and CEO, Main State Chamber of Commerce, Augusta, ME, Testifying on behalf of the Maine State Chamber; Mr. Bill Ingersoll, Founder,

Bikes, Trikes and Quads, Sloansville, NY; Ms. Afton Stout, Founder, My Dinosaur Dreams, State Center, Iowa and Mr. Jake Ward, President Connected Commerce Council, Washington, DC.

Ms. Connors' testimony focused on a report titled Unlocking the Digital Potential of Rural America, that detailed how digital tools are driving the success of small businesses in rural America and the opportunity digital tools present for entrepreneurs living in rural America. Specifically, her testimony highlighted that digital technology boosts sales and reduces costs for rural small businesses by helping businesses expand their customer base in their own community, neighboring states, and, in some cases, outside of the country as well. Mr. Ingersoll highlighted as well that rural broadband is essential to ensuring that rural small business owners and entrepreneurs can take advantage of the latest technologies and reach customers. He also testified about the importance of the U.S. Postal Service. Small businesses rely on affordable, reliable and universal postal service. He went to state that like broadband, the US Postal Service is essential for all Americans, no matter where they live, and without it, rural small businesses will have a harder time competing with giant e-commerce companies that have their own warehouses and logistics networks. Ms. Stout testified that platforms like Etsy represent a new face of entrepreneurship—87% are women, and on average, these entrepreneurs are much younger than traditional business owners.

UNLOCKING SMALL BUSINESS RETIREMENT SECURITY

On Wednesday, March 27, 2019, the Committee on Small Business held a hearing titled: "Unlocking Small Business Retirement Security." The hearing examined retirement plan options for small employers, the benefits and barriers they face in offering plans, and options for expanding coverage for their workers.

The witnesses for the hearing were Martella A. Turner-Joseph, Founding Partner Joseph & Turner Consulting Actuaries, LLC New York, NY Testifying on behalf of the American Retirement Association; Mr. Paul F. Davidson Director, Product Management Paychex, Inc. Rochester NY; Mr. Greg Gorgone CFO Citizant, Inc Chantilly, Virginia, Testifying on behalf of the U.S. Women's Chamber of Commerce and Mr. Keith Hall President and Chief Executive Officer National Association for the Self-Employed Washington, DC.

The hearing discussed how Congress can help more small businesses provide their employees with affordable retirement plans. Today, half of all small businesses do not have a retirement plan set up and millions of workers have little saved for their retirement. Witnesses testimony focused on reversing this trend by looking at the possibilities of reducing the student debt burden facing young professionals, offering increased tax incentives to small business owners who choose to sponsor a plan, exploring auto-enrollment, and potentially allowing small firms to band together to offer retirement plans which could lead to administrative savings and reduced fiduciary liability.

NATIONAL SMALL BUSINESS WEEK: HONORING THE NATION'S SMALL
BUSINESS HEROES

On Wednesday, May 8, 2019 the Committee on Small Business held a hearing titled: "Honoring the Nation's Small Business Heroes." The Small Business Administration (SBA) has designated May 5–11 as its National Small Business Week. To honor all of America's entrepreneurs, the House Small Business Committee brought in business leaders from across the country who exemplify the determination, hard work, and creativity that showcases the American entrepreneurial spirit.

Witnesses included, Ms. Gia Giasullo Owner Brooklyn Pharmacy & Soda Fountain Brooklyn, NY; Ms. Amy Fox President & Operations Spiral Brewery Hastings, MN; Mr. Nels Leader Vice President Bread Alone Bakery Lake Katrine, NY; Mr. Robert Hoffman Broker Robert Hoffman Realty Inc. Albert Lea, MN; Mr. Jason Brochu President and Co-Owner Pleasant River Lumber Dover-Foxcroft, ME; Mr. Kristofer Sabey President Surf Liquors & Market Seaside Heights, NJ; Mr. Bill Skalish Owner Granite Tech, Inc. and The Benchmark GRP, LLC Landenberg, PA; Mr. Jerry Kortesmaki Owner London Road Rental Center Duluth, MN; Mr. Dave Walton Farmer Iowa Soybean Association Wilton, IA; Ms. Brittney Reese Co-Founder and Head FIT Coach FIT & NU Aurora, CO; Ms. Colleen Cruze Bhatti Owner Cruze Farm Knoxville, TN; Mr. Shawn Pulford CEO LB Water Chambersburg, PA.

The estimated 30 million small firms in the U.S., represent 99.7 percent of all employers and generate two-thirds of all net new jobs. Members of Congress were able to hear directly from small businesses across the country about the challenges they face starting a small business, the rewarding experience of building a successful company, and the impact they have on their local communities. Witnesses testified that access to affordable capital, finding and retaining talented workers, accessing new customers, and competing against larger competitors all provide headwinds for small business success. They suggested, among other things, that Congress should expand access to capital, workforce development and opportunities to do business with the federal government.

MEMBER DAY HEARING: COMMITTEE ON SMALL BUSINESS

On Wednesday, May 15, 2019, the Committee on Small Business held a hearing titled: "Member Day Hearing: Committee on Small Business." House Rules require that each Committee allow Members of Congress to testify regarding jurisdictional issues of each Committee that impacts their constituents.

Witnesses included the Honorable Ed Case Member of Congress U.S. House of Representatives Washington, DC and the Honorable Tony Cárdenas Member of Congress U.S. House of Representatives Washington, D.C.

Representative Case encouraged the Committee to enhance programs that benefit minority owned small businesses such as the 8a program especially for Asian & Pacific Islander Americans. Among other things, Representative Cardenas encourages the Committee to support programs and politics bridge the skill gap between the available workforce and employers by investing in funding pro-

grams that will encourage the development of computer science career education programs that meet the market needs of employers.

IMMIGRATION AND THE SMALL BUSINESS WORKFORCE

On Wednesday, May 22, 2019, the Committee on Small Business held a hearing titled: “Immigration and the Small Business Workforce.” Temporary and permanent immigration have long been at the forefront of the national conversation, yet the labor force needs of small businesses in this regard are often overlooked. The hearing allowed Members of the Committee to examine the current challenges small businesses face in hiring qualified foreign labor and what legislative solutions would help them.

Witnesses included Mr. Dan Wallace, Director of Special Projects, New American Economy, New York, NY; Mr. Derek Shoare, Senior Vice President, Challenger Sports, Lenexa, KS; Mr. Nick Sabino, Founder, Deer Park Roofing Inc., Cincinnati, OH (Testifying on behalf of the National Roofing Contractors Association) and Mr. Daniel Griswold, Senior Research Fellow and Co-Director, Trade and Immigration Project, Mercatus Center at George Mason University, Arlington, VA.

Witnesses testified Immigrants not only help fill shortages in the labor market, they also create jobs for Americans at every skill level noting that although they represent roughly 13.7 percent of the U.S. population immigrants account for more than 20 percent of all entrepreneurs. Witnesses also testified there are not enough American workers available to work full time in seasonal programs particularly in the agriculture, construction, and hospitality industries. Witnesses suggested reforming the nation’s immigration system will help small businesses and stimulate economic growth.

THE DOCTOR IS OUT: RISING STUDENT LOAN DEBT AND THE DECLINE OF SMALL MEDICAL PRACTICE

On Wednesday, June 12, 2019, the Committee on Small Business held a hearing titled: “The Doctor is Out: Rising Student Loan Debt and the Decline of Small Medical Practice.” The hearing provided the Committee the opportunity to understand the link between the growing student loan crisis and the problems facing the medical community. This includes the incentive structure for those exiting their Graduate Medical Education (GME) or Residency and entering the workforce.

Witnesses included Ms. Sandy Norby PT, DPT, CEO of HomeTown Physical Therapy, Des Moines, IA; Dr. Lauren Weise, Orthodontic Resident, University of Maryland School of Dentistry, Baltimore, MD; Dr. Tracy Henry, MD, MPH, MS, Assistant Professor of Medicine, Emory University, Atlanta GA; Mr. Jason Delisle, Resident Fellow, American Enterprise Institute, Washington, D.C.

The Panel discussed how the growing student loan debt crisis was affecting their decisions. Physicians have some of the highest debt burden of anyone in the country, and that adversely effects where they end up practicing medicine. Ms. Norby’s business model is to find physical therapists that grew up in rural Iowa to come back to their hometown and practice physical therapy there. She mentioned that it is hard to convince them to come back because they will not be making enough to pay back their student loans

alongside managing a business and affording a place to live. Dr. Weise noted that many of her orthodontic colleagues are in upper-six-figure debt, and the large amounts of debt she owes prevents her from opening her own practice, and her husband from going to med school. Dr. Henry testified to keep programs like Public Service Loan Forgiveness (PSLF) from being undercut by the Trump Administration because she is using them to pay off her mountains of debt. The Republican witness, Jason Delisle, took the opposite approach, arguing that those same programs should be cut to nothing and done away with.

UNLOCKED POTENTIAL? SMALL BUSINESSES IN THE CANNABIS INDUSTRY

On Wednesday, June 19, 2019, the Committee on Small Business held a hearing titled: “Unlocked Potential? Small Businesses in the Cannabis Industry.” The hearing allowed Members to learn about the opportunities the legitimate cannabis industry presents for small businesses in states with legal cannabis, as well as entrepreneurs from traditionally underserved communities. The hearing also explored the challenges currently faced by those “direct” cannabis businesses, but also by so-called “ancillary” or “indirect” cannabis businesses that may not be directly involved in the production or distribution of cannabis products but transact with direct cannabis businesses.

Witnesses on the panel were: Ms. Shanita Penny, M.B.A.; President of the Board of Directors, Minority Cannabis Business Association, Washington, DC; Mr. Eric Goepel; Founder & CEO, Veterans Cannabis Coalition, Walnut, CA; Ms. Dana Chaves; Senior Vice President and Director of Specialty Banking, First Federal Bank of Florida, Lake City, FL; and Mr. Paul Larkin; John, Barbara, and Victoria Rumpel Senior Legal Research Fellow in the Meese Center for Legal and Judicial Studies, The Heritage Foundation, Washington, DC.

Ms. Penny testified on how the legal cannabis industry presents significant business opportunities, especially for people of color, as the underground market transitions into a regulated business sector. However, onerous capital requirements, restrictions on licensing for those with minor drug-related offenses, and numerous other factors have limited opportunities and success for minorities and other disadvantaged groups in the legal cannabis industry. She testified that a lack of access to capital contributes to the widening ownership equity gap, and that access to SBA’s loan programs would help close the equity gap in the legal cannabis industries and help keep cannabis revenues in the communities suffering the greatest economic and social harms of the War on Drugs.

Mr. Goepel testified that because of their regular interaction with the federal government for healthcare, education, housing, and employment, veterans find themselves particularly impacted by federal cannabis prohibition. He also testified that considering the synergy that veterans have long maintained with cannabis, it is a disservice for government to prevent those who served when called on from pursuing their life and liberty. Ms. Chaves testified regarding her experience as a community banker in two states with some form of legal cannabis, and the challenges she’s faced in de-

livering financial services to legitimate cannabis-related businesses. Mr. Larkin testified that if Congress were to legalize adult-use cannabis, it should require that states own and manage distribution facilities.

CRUSHED BY CONFESSIONS OF JUDGMENT: THE SMALL BUSINESS STORY

On Wednesday, June 26, 2019, the Committee on Small Business held a hearing titled: “Crushed by Confessions of Judgment: The Small Business Story.” The hearing allowed the Committee to examine the practice of merchant cash advance (“MCA”) companies requiring small businesses to sign a confession of judgment as a condition of receiving a funds. Members heard from a variety of witnesses detailing the legalities of the practice, its use, and impact on small business borrowers.

Witnesses on the panel were: Mr. Hosea H. Harvey, Law Professor and Consumer Finance Law Expert, Philadelphia, PA; Mr. Jerry Bush; Former Owner, JB Plumbing & Heating of Virginia, Inc., Roanoke, VA; Mr. Shane Heskin, Partner, White and Williams, LLP., Philadelphia, PA; and Mr. Benjamin R. Picker, Shareholder, McCausland Keen + Buckman, Devon, PA.

Mr. Harvey testified that though current law generally presumes that business-to-business transactions take place between sophisticated parties on equal footing (unlike consumer transactions), the theoretical line between consumer and business credit transactions has blurred over time. He also noted that a discrepancy among state laws (and silence in federal law) on this issue has made the use of confessions of judgment in small business lending ripe for abuse. Mr. Bush testified regarding his experience as a business owner who was approached by MCA companies that pressured him into taking out one of their loan-like cash products and signing the corresponding confession of judgment, which enabled the lender to declare delinquency on the cash product and quickly obtain repayment by draining his bank accounts.

Mr. Heskin testified regarding his experience as a litigation attorney who has defended more than fifty small businesses and individuals in connection with confessions of judgment across the country. His testimony highlighted the lengths to which MCA companies go to attempt to collect debts allegedly owed, going so far as harassing borrowers and their families. He also argued the Fair Debt Collection Practices Act should apply to small business borrowers. Mr. Picker testified that any legislation on confessions of judgment should be limited to small business loans; should require the confession of judgment provision be capitalized, bolded, and that a plain language disclosure should be placed on the first page of the contract; and should require that the confessed judgment be filed only in the state where the borrower is located.

CONTINUING TO SERVE: FROM MILITARY TO ENTREPRENEUR

On Wednesday, July 10, 2019, the Committee on Small Business held a hearing titled: “Continuing to Serve: From Military to Entrepreneur.” The purpose of the hearing was to discuss the role of veteran entrepreneurs in growing the economy and examine legislative efforts to foster veteran entrepreneurship.

The witnesses for the hearing were: Mr. Davy Leghorn, Assistant Director for The American Legion; Mr. Scott M. Davidson, Owner of GCO Consulting, Retired Army Captain; Ms. Torrance Harrington Hart, Owner of Teak and Twine; and Ms. Laurie Sayles, President and CEO of Civility Management Solutions (CivilityMS).

The witnesses testified about their experiences with veteran entrepreneurship and expressed support for legislative initiatives, including the codification of the Boots to Business program, improvements to the Military Reservist Economic Injury Disaster Loan (MREIDL) program, and the SBA assumption of the VA certification process for service-disabled veteran-owned small businesses. Mr. Leghorn testified on behalf of The American Legion supporting draft legislation for: the codification of the Boots to Business program, calling it “imperative to make a permanent fixture”; reform of the MREIDL program to reflect more accurately current deployment practices; and the SBA adoption of VA certifications. Mr. Davidson’s testimony expressed support for the Boots to Business program and advocated for the SBA assumption of VA certification on practical, track-record grounds. Ms. Hart testified about her experiences as a veteran entrepreneur and military spouse, and expressed support for the Boots to Business program, particularly for military spouses. Military spouses oftentimes forgo careers because of frequent moves, which make it difficult to get established. Entrepreneurship can help to overcome these barriers for military spouses. Ms. Sayles testified in support of SBA assumption of VA certifications for service-disabled veteran-owned small business (SDVOSB), and advocated for greater transparency and accountability in sub-contracting plans for government awarded contracts.

FLOODED OUT: VANISHING ENVIRONMENTAL REVIEWS AND THE SBA’S DISASTER LOAN PROGRAM

On Friday, July 19, 2019, in Wheeling, IL, the Committee on Small Business met for a field hearing titled: “Flooded Out: Vanishing Environmental Reviews and the SBA’s Disaster Loan Program.” They examined the utilization of the SBA’s Disaster Loan Program in the context of severe flooding that impacted parts of Illinois in 2017. Members heard from a variety of witnesses who will address how the floods impacted their local communities.

The witnesses were Mr. Mark Warner, Executive Director, Lake County Stormwater Management Commission, Lake County, IL; Mr. Howard Learner, Executive Director, the Environmental Law & Policy Center, Chicago, IL; and Mr. John Durning, Owner Pizzeria Deville, Libertyville, IL.

Mr. Warner testified that Lake County has seen record setting increases in flooding over the last three years and in particular that the July 2017 flood set record high water levels on all nine river gages throughout the County, caused millions of dollars of damage and threatened the lives of many residents and visitors. He also testified that communities along the Des Plaines and Fox River watersheds have long faced flooding issues during significant rain events. Since 2013 alone, Lake County has experience two “100-year floods,” and 6 of the 10 largest storm events on record have occurred since 1994. In July 2017, intense storms damaged more than 3,200 homes, resulting in a state of emergency declara-

tion for the region and causing millions of dollars in damage to the community. As a result, after severe businesses in Lake County, Illinois utilized SBA's disaster loans to rebuild and recover. Mr. Durning, who owns Pizzeria DeVille in Libertyville, testified that the 2017 floods destroyed equipment and shut down parts of his restaurant for six weeks. Witnesses testified that environmental reviews protect communities by studying in advance the social, environmental, and economic harms that could result from a construction project. With projections of more severe future flooding across the country, the SBA disaster loan program could face further unnecessary strain. The hearing allowed Members of Congress to consider adapting the program to face additional challenges related to increasing disasters, and how compliance with required environmental reviews can ensure the longevity of the SBA disaster program.

IS THE TAX CUTS AND JOBS ACT A HELP OR HINDRANCE TO MAIN STREET?

On Wednesday, July 24, 2019, the Committee on Small Business held a hearing titled: "Is the Tax Cuts and Jobs Act a Help or Hindrance to Main Street?" The hearing examined how the Tax Cuts and Jobs Act has affected small businesses. The Committee heard from a policy expert and small businesses testified how the current tax law has impacted them, and what outstanding issues still exist.

The witnesses included Ms. Jane Gravelle Senior Specialist in Economic Policy Congressional Research Service Washington, DC; Mr. Grafton H Willey, IV CPA and Small Business Owner Sole-Proprietor Portsmouth, RI, testifying on behalf of the NSBA-National Small Business Association and the RI Society of CPA's; Mr. Muneer Baig Founder & CEO SYSUSA, Inc. Manassas, VA, testifying on behalf of Small Business Majority; and Mr. Justin Conger President Conger Construction Group Lebanon, OH.

Ms. Gravelle testified the tax bill can affect small businesses through an increase in overall economic growth that increases demand for their products. She went on to explain that Although some claims were made for significant short-term growth, with some sources claiming the tax cut would produce enough growth to pay for itself, most analysts projected a relatively small effect on the economy in the short run, ranging from 0.1% to 0.8% of GDP in 2018. Mr. Willey testified that there were good things in the Tax Cuts and Jobs Act (TCJA) but negative things as well. He testified from a tax simplification perspective, a key goal of tax reform for small businesses, the TCJA was a "dismal failure." He also testified that in attempting to create parity between large corporations and small businesses, the TCJA provided good benefits to large corporations and left small businesses short on the parity issue. Mr. Baig testified that TCJA failed to deliver upon its promise for most Main Street small businesses, including his to create more jobs.

UTILIZATION MANAGEMENT: BARRIERS TO CARE AND BURDENS ON SMALL MEDICAL PRACTICES

On Wednesday, September 11, 2019, the Committee on Small Business held a hearing titled: "Utilization Management: Barriers

to Care and Burdens on Small Medical Practices.” The hearing provided the Committee the opportunity to understand increasing costs and administrative burdens for doctors caused by utilization management by insurance companies in the form of prior authorization and step therapy. These practices cause medical professionals to spend their time filling out duplicative forms and sitting on hold with insurance company representatives to argue that the patient should in fact get the medication, device, or procedure prescribed by the doctor. These programs affect the quality of care and prove overly burdensome on many small medical practices.

Witnesses included Dr. Paul M. Harari, M.D., Professor and Chairman, Department of Human Oncology, University of Wisconsin School of Medicine and Public Health; Testifying on behalf of the American Society for Radiation Oncology. Dr. David R. Walega, M.D., MSCI, Associate Professor of Anesthesiology; Chief, Division of Pain Medicine; Vice Chair for Research, Department of Anesthesiology, Northwestern University Feinberg School of Medicine; Testifying on behalf of the American Society of Anesthesiology. Dr. John Cullen, M.D., President, American Academy of Family Physicians. Dr. Howard Rogers, M.D., FAAD, Advanced Dermatology, Testifying on behalf of the American Academy of Dermatology Association.

The Panel discussed how the growing burden of prior authorization is distracting them from providing quality care for their patients and causing an undue financial burden on their practices. Dr. Harari testified that many of the requirements enforced by insurance companies for prior authorization do not align with the treatment codes set up by the American Society for Radiation Oncology. Dr. Walega testified about his patient, who was denied a simple, minimally invasive surgery that would have saved her much pain and from opioids, and spent months arguing with insurance companies for her to get the surgery. Dr. Cullen testified about the many hours of uncompensated administrative work associated with prior authorization and how that hurts his small practice in a town of 4,000 residents in Valdez, AK, where he is the primary caregiver. Dr. Rogers, also testified to the growing burden on physician practice and how this can negatively affect care and the patient-physician relationship.

THE ROLE OF THE SBA 8(A) PROGRAM IN ENHANCING ECONOMIC OPPORTUNITIES

On September 18, 2019, the Committee on Small Business held a hearing titled: “The Role of the SBA 8(a) Program in Enhancing Economic Opportunities.” The hearing focused on SBA’s 8(a) program, which was designed as a business development program to help disadvantaged businesses compete in the federal marketplace. The hearing examined how the program operates, the benefits to entrepreneurs and communities, and steps Congress can take to improve the effectiveness of the program.

The witnesses for the hearing were: Mr. Ralph C. Thomas III, Executive Director Emeritus & Representative of the National Association of Minority Contractors (NAMC) and Lawyer, Law Offices of Ralph C. Thomas III PLLC, Washington, D.C.; Ms. Dottie Li, Founder and CEO of Transpacific Communications, Cheverly, MD;

Mr. Clarence McAllister, CEO of Fortis Networks, Phoenix, AZ; and Ms. Rebecca Askew, CEO & General Counsel, Circuit Media LLC, Denver, CO.

The witnesses testified that the 8(a) program is one of the Federal Government's primary vehicles to help develop socially and economically disadvantaged small businesses. Moreover, all witnesses discussed the weaknesses and made recommendations to improve the program. For example, many businesses start to gain traction in the last years of the program, which substantially reduces their ability to receive contracts and limits their growth. To address these concerns, Mr. Thomas suggested a follow-up survey to graduated 8(a) firms to understand their rate of success and understand potential weaknesses in the program. By contrast, Mr. McAllister suggested extending the program beyond the current 9-year term.

Additionally, the witnesses emphasized the need to improve small business assistance within the program. Mr. McAllister recommended providing legal assistance to 8(a) contractors and Ms. Askew recommended the creation of two 7(j) educational tracks: one for those who are starting the program and another one for those that are culminating it. Finally, the witnesses highlighted the Mentor/Protégé Program as an indispensable tool to increase small business capacity and knowledge. However, they also called attention to the importance of having proper safeguards in the Mentor/Protégé Program so that it can truly serve its purpose.

SBA MANAGEMENT REVIEW: SMALL BUSINESS INVESTMENT COMPANY PROGRAM

On Thursday, September 26, 2019, the Committee on Small Business held a hearing titled: "SBA Management Review: Small Business Investment Company Program." Committee members learned more about the Small Business Investment Company (SBIC) program, which is designed to incentivize increased debt and equity financing to high-risk small businesses lacking access to adequate capital from traditional sources. Members also learned about the SBIC funds who deliver SBIC financing to small businesses in need of patient capital, and the role they play in creating jobs in their local communities. The hearing explored the current administrative challenges facing the program and its industry participants.

There were two witness panels. Mr. Joseph Shepard, Associate Administrator for the Office of Investment and Innovation at SBA, testified as the sole witness on the first panel. Witnesses on the second panel were: Mr. Brett Palmer, President, Small Business Investor Alliance; Mr. John Paglia, Professor of Finance, Graziadio Business School—Pepperdine University, Malibu, CA; Ms. Ronda Penn, Chief Financial Officer, Raleigh, NC; and Mr. Walt Rodgers, Chief Executive Officer, Family RV, Cincinnati, OH. The Committee also received written testimony from Mr. Brian Lueger, Principal, Konza Valley Capital, Inc., Overland Park, KS.

Mr. Shepard testified regarding program operations under his tenure, which had been marred by industry reports of serious delays in licensing, examinations, and other key program components. He testified that his response to those concerns was to have

an “intense focus” on examinations, and reported that by July 2018, statutory compliance with examinations was 100%. Mr. Palmer’s testimony summarized a series of concerns and frustrations SBICs have felt during Mr. Shepard’s tenure, and reported that “nearly all processes involving the Associate Administrator are delayed, commonly for exceedingly long periods of time.” Mr. Paglia’s testimony summarized key findings from his three reports regarding the positive role the SBIC program plays in job creation, and the better diversity performance compared to the broader venture capital and private equity community. Ms. Penn’s testimony offered the perspective of a SBIC with multiple licenses, including the extensive limited partner network and the impact her fund has had over 22 years. Mr. Rodgers’ testimony offered the perspective of the portfolio company (one that received a SBIC investment), and how it enabled the company to grow financially and expand geographically. Mr. Lueger’s written testimony focused on how a technical change to the programmatic definition of “leverageable capital” would enable his fund (an “evergreen” fund that re-invests gains from individual investments back into the fund, instead of paying out the fund’s limited partners) to access more leverage from the SBA.

CLOSING THE DIGITAL DIVIDE: CONNECTING RURAL AMERICANS TO RELIABLE INTERNET SERVICE

On Friday, October 4, 2019, at Columbia Greene Community College in Hudson, NY, the Committee on Small Business met for a field hearing titled: “Closing the Digital Divide: Connecting Rural Americans to Reliable Internet Service.” The hearing allowed Members to hear about the lack of broadband and its impact on quality of life for rural Americans, low-income communities, and minorities.

Witnesses included Mr. Tim Johnson, CEO, Otsego Electric Cooperative, Edmeston, NY; Ms. Shannon Hayes, Owner, Sap Bush Hollow Farm Store and Café, West Fulton, NY; Mr. David Berman, Co-Chair, Columbia Connect Ghent, NY; Mr. Jason Miller, General Manager, Delhi Telephone Company, Delhi, NY; Mr. Brian Dunn, Superintendent, Middleburgh Central School District, Middleburgh, NY; and Dr. Cliff Belden, Chief Medical Officer, Columbia Memorial Health Hudson, NY.

Mr. Johnson testified that broadband is vital to the survival and growth of both the communities his company serves and all of rural America. He suggested that more granular and accurate maps showing broadband availability are a key part of reaching all rural Americans with high-speed broadband service. Mr. Berman addressed the issue of closing the digital divide head on. He testified the only solution to this issue is to base local, state and federal programs on the goal of reaching every address in the United States. He testified that means eliminating using census blocks to define coverage, availability, and financing because census blocks are both confusing and lead to some bizarre results. Dr. Belden focuses his testimony on three broad areas where the impact of broadband is felt in the delivery of health care—patient care, the location and types of services available in a facility and a sometimes-unrecognized effect on our workforce. Mr. Miller acknowledged the benefits

that broadband providers stating that it is crucial to the current and future success of rural America. However, he noted that small, rural telecom providers like his company are deploying faster broadband throughout their service areas, but no carrier—regardless of size—can deliver high-speed, high-capacity broadband in rural America without the business case to justify the investment.

SILICON PRAIRIE: TECH, INNOVATION, AND A HIGH-SKILLED
WORKFORCE IN THE HEARTLAND

On Tuesday, October 8, 2019, the Committee on Small Business met at the Dr. Thomas R. Burke Technical Education Center at Kansas City Community College in Kansas City, Kansas for a field hearing titled: “Silicon Prairie: Tech, Innovation, and a High-Skilled Workforce in the Heartland.” The field hearing was led by Representative Sharice Davids and attended by Representative Emanuel Cleaver. It provided the opportunities to focus on the tech boom happening in the Midwest and how the U.S. should be training the workforce in the area to satisfy the demand from tech employers. It also provided the opportunity for small business owners, government officials, and experts to provide innovative solutions to combat the labor shortage.

In two panels there was a total of eight witnesses. The first government panel included Mr. David Toland, Secretary, Kansas Department of Commerce, Topeka, KS. Ms. Delia García, Secretary, Kansas Department of Labor, Topeka, KS. Mr. Thomas Salisbury, Regional Administrator, Region VII, Small Business Administration, Kansas City, MO. The second, private sector panel included Ms. Neelima Parasker, President and CEO, SnapIT Solutions, Overland Park, KS. Mr. Ruben Alonso III, President, AltCap, Kansas City, MO. Ms. Tammie Wahaus, CEO, Elias Animal Health, Olathe, KS. Mr. Brad Sandt, President & CEO, Menlo, K12itc, Civic ITC, Kansas City, MO. Mr. Daniel Silva, President & CEO, Kansas City Kansas Chamber of Commerce, Kansas City, KS.

The first panel focused mainly on things the government is doing regarding workforce development, investing in schools and education, and encouraging partnerships between businesses, local governments and chambers of commerce, and educational institutions to provide an education for in-demand skills that can translate to jobs. The second panel talked largely about many of the challenges small businesses face in hiring and how they are investing in a workforce that has 21st century skills and provides middle skill training for technology jobs to people of all ages.

SBA MANAGEMENT REVIEW: SBA IG REPORT ON THE MOST SERIOUS
MANAGEMENT AND PERFORMANCE CHALLENGES FACING THE SBA

On Wednesday, October 16, 2019, the Committee on Small Business held a hearing titled: “SBA Management Review: SBA IG Report on the Most Serious Management and Performance Challenges Facing the SBA.” The hearing focused on the Small Business Administration Office of Inspector General’s (OIG) annual report on the most serious management and performance issues within the agency. The hearing allowed Members the opportunity to learn more about the significant issues that could be addressed to enhance the effectiveness of the agency and its programs.

The sole witness for the hearing was: Mr. Hannibal “Mike” Ware, Inspector General, United States Small Business Administration, Washington, D.C.

The witness testified that SBA made progress addressing that year’s management challenges. The OIG stated that SBA made concerted efforts to address outstanding internal control recommendations and, as a result, fully implemented or made substantial progress in 23 out of 25 challenge areas. Despite this progress, the OIG testified that SBA still faces significant risks in loan program oversight and controls, oversight of its statutory programs to promote small business development and government contracting and deploying information technology and related cybersecurity controls.

PRISON TO PROPRIETORSHIP: ENTREPRENEURSHIP OPPORTUNITIES FOR THE FORMERLY INCARCERATED

On Wednesday, October 23, 2019, the Committee on Small Business held a hearing titled: “Prison to Proprietorship: Entrepreneurship Opportunities for the Formerly Incarcerated.” Many formerly incarcerated individuals face barriers to reentering the workforce. Some employers hesitate to hire the formerly incarcerated, which drastically reduces employment possibilities and earnings potential. Entrepreneurship can help overcome these barriers to employment and reduce recidivism.

The witnesses for the hearing were: Mr. Shon Hopwood, Associate Professor of Law, Georgetown University Law Center, Washington, D.C.; Mr. Gary Wozniak, President and Chief Executive Officer (CEO), RecoveryPark, Detroit, MI; Ms. Corinne Hodges, CEO, Association of Women’s Business Centers, Washington, D.C.; Jerry Blassingame, Founder and CEO, Soteria CDC, Greenville, SC.

The witnesses discussed challenges facing incarcerated and formerly incarcerated individuals and how entrepreneurship can give them a second chance upon reentering society. Mr. Hopwood expressed support for the Prison to Proprietorship bills, which would require SBA’s resource partners to provide entrepreneurship services in-prison and to the formerly incarcerated. After serving time in federal prison, Mr. Wozniak spent three months actively seeking employment to no avail. To overcome this challenge, he opened a pizza franchise, utilizing the skills he gained as a stockbroker.

Ms. Hodges testified that many of the Women’s Business Centers offer specific training and resources to the formerly incarcerated and described the services that several centers currently provide. Moreover, she said that entrepreneurship has the power to create pathways to success while reducing recidivism. Mr. Blassingame discussed his experience upon being released from prison, including the process of starting a nonprofit that eventually helped with reentry. He found that successful reentry included more than housing and jobs, it was also family integration. The community must work together to overcome issues pertaining to trauma, financial literacy, and family reintegration. Mr. Hopwood, Mr. Wozniak, and Ms. Hodges express support for the Prison to Proprietorship bills.

FORCE OF NATURE: THE POWER OF SMALL BUSINESSES IN AMERICA'S
RECREATIONAL INFRASTRUCTURE

On Wednesday, October 30, 2019, the Committee on Small Business held a hearing titled: "Force of Nature: The Power of Small Businesses in America's Recreational Infrastructure." The economic prosperity of the nation is impacted by the growing recreational and tourism sector, which is served by many small businesses. Members were able to hear testimony on the significance of the outdoor recreation sector which produced over \$400 billion in \$400 billion in gross economic output and supported over 5 million jobs nationwide in 2017.

Witnesses included Mr. Ray Rasker, Executive Director, Headwaters Economics, MT; Mr. Frank-Paul Anthony King, President and Chief Executive Officer, Temple Fork Outfitters (TFO), Dallas, TX; Ms. Lindsey Davis, CEO, WYLDER, Salt Lake City, UT; and Mr. John Wooden, Owner, River Valley Power & Sport, Rochester, MN, testifying on behalf of the National Marine Manufacturers Association.

Witnesses highlighted that outdoor recreation and tourism supports communities across the country by generating hundreds of billions in federal, state, and local tax revenue every year and that the outdoor recreation industry has strong ties to various vital economic sectors, including manufacturing, retail, transportation, and tourism which are dominated by small businesses. Mr. Rasker testified that more than 140 economic studies document the many ways that hiking and biking trails, picnic areas, fishing access sites, and other infrastructure contribute to local economies. Mr. King highlighted the importance of conservation in promoting outdoor recreation. Ms. Davis emphasized that upgrades to our public lands will benefit small firms and local economies. She testified that the health of our ecosystems relies on adequate and organized public access and infrastructure by way of trails, waterways and wildlife corridors. She went on to say green and blue infrastructure will not only improve visitation, but also make it possible for wildlife and watersheds to continue to thrive and recreationalists to continue building a lifelong relationship to the outdoors.

UPSKILLING THE MEDICAL WORKFORCE: OPPORTUNITIES IN HEALTH
INNOVATION

On Wednesday, November 13, 2019, the Committee on Small Business met for a hearing titled: "Upskilling the Medical Workforce: Opportunities in Health Innovation." This hearing explored the exponential advancement of medical technology including but not limited to telehealth, electronic health records, robotics, and artificial intelligence and ways medical professionals are trained to adapt to this rapid development using simulations, robots, and augmented and virtual reality. The focus was how to use this technology to cope for a number of different problems emerging in healthcare, such as higher costs, concentration of health services, higher administrative and student loan burdens for physicians, and lack of access for many in rural and under-resourced urban communities.

Witnesses included Dr. Matthew Conti, MD, Orthopaedic Surgery Resident, Hospital for Special Surgery, New York City, NY, Testifying on behalf of the American Academy of Orthopaedic Surgeons (AAOS). Dr. Ingrid Zimmer-Galler, MD, Associate Professor of Ophthalmology, Founding clinical Director, Office of Telemedicine, Johns Hopkins University, Baltimore, MD, Testifying on behalf of the American Academy of Ophthalmology. Dr. Nancy Fahrenwald, PhD, RN, PHNA-BC, FAAN, Dean and Professor, Texas A&M College of Nursing, Bryan, TX, Testifying on behalf of the American Association of Colleges of Nursing. Mr. Michael Hopkins, Founder and CEO, True Concepts Medical Technologies, Cincinnati, OH.

Dr. Conti testified about the new technology used to train Orthopaedic surgeons in the Hospital for Special Surgery in New York City, one of the most technologically advanced hospitals in the United States, such as robotics, simulations, and virtual reality. Dr. Zimmer-Galler testified about the ability of telemedicine to expand access to rural areas that do not currently have access to care and the innovative ways they are training ophthalmologists to use telemedicine at Johns Hopkins. Dr. Fahrenwald testified to the advanced simulations they use to train nursing students and how expanding the scope of practice for advanced practice registered nurses (APRNs) can fill in the gaps in rural areas where doctors are short. Furthermore, APRNs can use telemedicine to consult with doctors many miles away about treatment plans for their patients. The Republican witness, Michael Hopkins, testified to the advancement of medical devices to save lives, like his own dual syringe technology that can protect patients from sepsis.

A FAIR PLAYING FIELD? INVESTIGATING BIG TECH'S IMPACT ON SMALL BUSINESS

On Thursday, November 14, 2019, the Committee on Small Business held a hearing titled: "A Fair Playing Field? Investigating Big Tech's Impact on Small Business." The Internet has transformed American lives and spurred economic growth for millions of small businesses due in large part to powerful digital platforms, commonly referred to as Big Tech. The hearing gave Members the opportunity to hear from both large tech companies and small businesses about the opportunities and challenges online platforms pose for entrepreneurs and small firms.

Witnesses included: Mr. Dharmesh M. Mehta, Vice President, Customer Trust and Partner Support, Seattle, WA; testifying on behalf of Amazon, Inc.; Ms. Erica Swanson, Head of Community Engagement for Grow with Google, Mountain View, CA; testifying on behalf of Alphabet, Inc.; Dr. Joe Kennedy, Senior Fellow, Information Technology & Innovation Foundation, Washington, D.C.; testifying on behalf of the Information Technology & Innovation Foundation; Ms. Allyson Cavaretta, Director of Sales & Marketing, Meadowmere Resort, Olgonquit, ME; Mr. Molson Hart, CEO, Viahart Toy Co., Houston, TX; Mr. Harold Feld, Senior Vice President, Public Knowledge, Washington, D.C.; Ms. Theo Prodrromitis, Co-Founder and CEO, Spa Destinations, Tampa, FL; Mr. Jake Ward, President, Connected Commerce Council, Washington, D.C.

and Mr. Graham Dufault, Sr. Director of Public Policy, ACT | The App Association, Washington, D.C.

Mr. Mehta testified that Amazon, by offering small and medium-sized businesses a low cost way to reach customers worldwide, and through our investments to support these businesses, has lowered barriers to entry for entrepreneurs, helps make retail even more vibrantly competitive, and continues to delight customers with new innovations. Ms. Swanson testified that Google tools help American businesses find and connect with customers. In 2018, Google's search and advertising tools helped provide \$335 billion of economic activity nationwide. More than 1.3 million businesses, website publishers, and nonprofits benefited from using Google's advertising solutions. Mr. Kennedy testified that Internet platforms allow any business to set up a website, Facebook page, Instagram account, YouTube channel and other online presences to reach customers, exchange information, and build a loyal customer base.

Mr. Hart testified that Amazon has created business solutions that have enabled small businesses to reach and serve new customers. However, he also testified that due to their market dominance, can determine if a small business succeeds or does not simply by allowing or not allowing it on its platform. He stated "if Amazon suspends us from the platform, we go bust, and we go bust fast." Ms. Caveretta testified that Google's most recent actions in the online travel ecosystem present a serious threat to small business and how those actions have harmed end consumers. She urged Congress to address immediately Google's near monopoly access to market for small business. Ms. Caveretta described in detail changes made by Google's search algorithm that prioritizes larger online travel companies and prioritizes those businesses that pay more for advertising on the Google platform. Mr. Feld testified that the dominance of a handful of massive companies in online retail, online search, online video and social media creates enormous problems for small businesses. He explained that small businesses face potential obstacles when they potentially compete with digital platforms citing reports that Amazon harvests small business data and then creates competing products. He also testified that Congress must set necessary safeguards that balance providing a stable and competitive environment for small businesses while preserving the valuable features of digital platforms.

EMBRACING CORPORATE SOCIAL RESPONSIBILITY: SMALL BUSINESS BEST PRACTICES

On Wednesday, December 4, 2019, the Committee on Small Business met for a hearing titled: "Embracing Corporate Social Responsibility: Small Business Best Practices." This hearing informed members about recent changes to corporate values in the wake of the restatement by the Business Roundtable on the purpose of a corporations from shareholder primacy to stakeholder primacy. It elevated the concerns caused by shareholder primacy such as environmental degradation, stagnating wages, and lack of diversity and inclusion in upper level management. Members heard from academics and small and large business owners about the importance of businesses giving back to their community.

Witnesses included Dr. Robert Strand, Executive Director of the Center for Responsible Business and Lecturer at the University of California, Berkeley's Haas School of Business. Mr. Vincent Stanley, Director of Philosophy, Patagonia, Inc. Ms. Kristy Wallace, CEO, Ellevest Network. Mr. Jaime Arroyo, Associate, Work Wisdom LLC. Mr. Sean McElwee, President and Chief Creative Officer, Seanese; Accompanied by Ms. Sandra McElwee, Chief Dream Facilitator, Seanese.

Dr. Strand testified about what the United States can learn from the stakeholder primacy that many Scandinavian countries have embraced for decades to invest much of their profits back in their workers and communities rather than just their owners. Mr. Stanley shared the experiences of Patagonia over the past 40 years and their journey of becoming a more environmentally responsible company. He also explained the legal framework of benefit corporations and how they can create a competition to be more sustainable and retain sustainability through transfer of ownership. Ms. Wallace testified about the importance of investing in women owned businesses and creating a network of support for women entrepreneurs. Mr. Arroyo echoed this sentiment and added the importance of diversity and inclusion. Mr. McElwee and his mom, Sandra, testified about the importance of companies—even microbusinesses like his own—to give back to their communities and dedicate a portion of their profits to charitable organizations and acts, like his own baby onesie initiative for new parents with children with Down syndrome.

SECOND SESSION OF THE 116TH CONGRESS

ENHANCING PATENT DIVERSITY FOR AMERICA'S INNOVATORS

On Wednesday, January 15, 2020, the Committee on Small Business held a hearing titled: "Enhancing Patent Diversity for America's Innovators." The exceptional economic performance of the United States has largely been driven by innovation, entrepreneurship, and competitiveness which has led to new business formation and improved the lives of all Americans. However, women, racial minorities, and low-income individuals are significantly underrepresented in the innovation ecosystem. The hearing gave academics and small business innovators the chance to testify on the challenges that women and minorities often face when trying to obtain a patent.

Witnesses included Ms. Andrea Ippolito, Program Director of W.E. Cornell, Cornell University, Ithaca, NY; Dr. Rashawn Ray, David M. Rubenstein Fellow, The Brookings Institution, Washington, DC; Ms. Janeya Griffin, Managing Member and Principal Consultant, The Commercializer, LLC, Lancaster, CA; and Mr. Rick C. Wade, Vice President, Strategic Alliances and Outreach, U.S. Chamber of Commerce, Washington, D.C.

The witnesses cited difficulties like lack of access to capital, a lack of diversity in the tech field, and a shortage of women and minorities in the STEM field as barriers to achieving patent equity. The hearing also discussed Chairwoman Velázquez' bill, H.R. 4075, which would direct the United States Patent and Trade Office to collect voluntary demographic data during the patent process that

would provide insight into who is applying for and obtaining patents.

Ms. Ippolito testified that the number of women obtaining patents has improved, albeit slowly, over the past 40 years. She stated that the share of patents with at least one female inventor has increased from five percent in 1976 to 21 percent in 2016. Mr. Ray testified that it is clear that disparities extend from who applies to who is ultimately awarded a patent. He went to testify that collecting demographic data can help fill these important gaps, create more understanding and equity in the process, and better streamline resources for trainings and funding so all Americans can assist the United States in continuing to be a major world innovator for new products that can help drive the economy and create jobs. Ms. Griffin testified that it is crucial that minority inventors participate in the patenting and commercialization process because a patent will give minority inventors an incentive to further innovate.

SBA MANAGEMENT REVIEW: OFFICE OF FIELD OPERATIONS

On Wednesday, January 29, 2020, the Committee on Small Business held a hearing titled: “SBA Management Review: Office of Field Operations.” The hearing focused on the Small Business Administration’s (SBA) Office of Field Operations’ (OFO) 68 District Offices and ten Regional Field Offices and how they are the point of delivery for most SBA programs and services. The hearing also examined how the OFO oversees these offices and if the organizational structure allows the Administration to meet the needs of small businesses and entrepreneurs across the country.

The sole witness for the hearing was: Mr. Michael A. Vallante, Associate Administrator, Office of Field Operations, Small Business Administration, Washington D.C.

The witness testified that SBA District Offices are actively involved in their communities through supporting local businesses and coordinating with SBA Resource Partners. The witness stressed the subject matter expertise of the District Office workers, many of whom have worked for the District Office for over ten years. The witness also stressed the difference the District Office employees make in their communities, their dedication to service, and dedication to their small business clients.

In addition, the witness testified about the modernizations happening within SBA District Offices. Modernizations include improved job descriptions, creating a career ladder to help retain staff and give them a path to advancement, new performance metrics, and greater collaboration within SBA. The witness also testified that the OFO has responded to the Government Accountability Office’s (GAO) and the Office of Inspector General’s (OIG) recommendations by reassessing the District Office’s relationships with Historically Black Colleges and Universities (HBCUs) in their communities and instructed the District Offices to hold events and expand outreach into those communities.

Lastly, the witness testified that the amount of OFO personnel retracted from the historic average of 800 employees to 687 because of a 14 percent attrition rate, a 100-day process to fill vacancies, and a hiring pause. The witness stated that the department implemented the pause to review the hiring process and cost of employ-

ees. The witness testified that the hiring pause is no longer in place.

SBA MANAGEMENT REVIEW: OFFICE OF CREDIT RISK MANAGEMENT

On Wednesday, February 5, 2020, the Committee on Small Business held a hearing titled: “SBA Management Review: Office of Credit Risk Management.” The hearing allowed Committee Members to learn about SBA’s Office of Credit Risk Management (OCRM), which was codified in the 115th Congress as part of the Small Business 7(a) Lending Oversight Reform Act of 2018 (Oversight Act). Members learned about the current administrative challenges facing OCRM and ways to continue enhancing oversight and credit risk management for SBA’s Capital Access programs.

The sole witness was Ms. Susan Streich, Director for OCRM, Office of Capital Access, SBA.

Ms. Streich’s testimony gave a detailed summary of the role OCRM plays within SBA’s Office of Capital Access as it relates to monitoring the performance of over 3,500 7(a) and 504 lenders. She also highlighted the impact of the Oversight Act, which allowed OCRM to rely less on contracted staff, and to increase staff. Following the Oversight Act, OCRM was able to implement a rigorous training program to ensure it has the workforce capability and leadership in-house to support its heightened mission and responsibilities. In response to questioning, Ms. Streich also emphasized SBA currently lacks a mechanism for systematically tracking 7(a) loan agents, which would enhance transparency within the loan programs.

CHALLENGES AND BENEFITS OF EMPLOYEE-OWNED SMALL BUSINESSES

On Wednesday, February 12, 2020, the Committee on Small Business held a hearing titled: “Challenges and Benefits of Employee-owned Small Businesses.” The hearing allowed Committee Members to learn about the benefits of employee ownership for business owners, their employees, and their local economies. Members were also exposed to the broad distinctions that exist between the two most prominent forms of employee ownership: Employee Stock Ownership Plans (ESOPs) and cooperatives (co-ops).

Witnesses on the panel were: Mr. Daniel Goldstein, CEO and President, Folience, Cedar Rapids, IA; Mr. R.L. Condra, Vice President of Advocacy and Government Programs, National Cooperative Bank, Arlington, VA; Mr. John Abrams, CEO and Co-owner, South Mountain Company, West Tisbury, MA; and Mr. Mark Gillming, Senior Vice President, Messer Construction Company, Cincinnati, OH.

Mr. Goldstein’s testimony focused on Folience’s role as a company that purchases fledgling businesses and converts them into ESOPs as a business-saving strategy. His testimony identified three major obstacles to the expansion of employee ownership in the economy: 1) an absence of clear federal regulatory guidance, particularly on business valuations for purposes of securing an ESOP loan; 2) a shortage of lending capital for ESOP formation or acquisitions; and 3) low public and professional awareness about ESOPs. Mr. Condra’s testimony focused on current challenges cooperatives face in navigating the federal programmatic landscape,

specifically how the SBA 7(a) program's personal guarantee requirement presents a nearly insurmountable barrier for cooperatives in accessing 7(a) loans. According to Mr. Condra's testimony, there has only been one 7(a) loan to a cooperative in SBA's history.

Mr. Abrams' testimony focused on the many benefits of the cooperative business structure, saying that "when employee owners are making the decisions, it is more likely that companies will stay rooted in place and be positive forces in their local community." Mr. Gillming's testimony centered on the benefits of employee ownership from the perspective of a business that was converted to an ESOP including increased worker productivity, job satisfaction, and year over year business growth.

A DISCUSSION WITH SBA ADMINISTRATOR JOVITA CARRANZA: CURRENT ISSUES AND THE FY2021 BUDGET

On Wednesday, February 26, 2020, the Committee on Small Business held a hearing titled: "A Discussion with SBA Administrator Jovita Carranza: Current Issues and the FY2021 Budget". The hearing was an opportunity for Members to discuss the newly appointed Small Business Administration (SBA) Administrator's vision for the Agency, the President's FY2021 budget request, and the opportunities and challenges that exist for participants in SBA's programs.

The sole witness for the hearing was: The Honorable Jovita Carranza, Administrator, U.S. Small Business Administration, Washington, D.C.

Administrator Carranza testified on her priorities for the Agency as she begins her role as SBA Administrator. One of her priorities was to continue to support SBA's Disaster Assistance program to ensure that SBA officials are available and on-the-ground during a disaster. The witness emphasized another priority of continuing to expand SBA's counseling, lending, and contracting opportunities to women, minority, and veteran-owned businesses. The witness stressed her commitment to promoting women-owned businesses particularly as women begin to represent a greater portion of the workforce and small business owners. The Administrator testified that, as she continues in her new position, she will engage with SBA's internal and external stakeholders to examine staffing and operational needs.

In addition, the witness testified that she reviewed the President's budget request but would continue to examine the needs of SBA's programs in-depth. The Administrator stated that she will continue to review the open recommendations made by the Government Accountability Office (GAO) and the SBA's Office of Inspector General (OIG). The witness also pledged to create a steering committee to proactively address the potential effects of COVID-19 on small businesses.

BUILDING BLOCKS OF CHANGE: THE BENEFITS OF BLOCKCHAIN TECHNOLOGY FOR SMALL BUSINESSES

On Wednesday, March 4, 2020, the Committee on Small Business met for a hearing titled: "Building Blocks of Change: The Benefits of Blockchain Technology for Small Businesses."

The witnesses included: Mr. Shane Bigelow, CEO, Ownum, LLC., Cleveland, OH who testified on behalf of the Chamber of Digital Commerce; Ms. Dawn Dickson, Founder and CEO, PopCom, Columbus, OH; Mr. Marvin Ammori, General Counsel, Protocol Labs, Wilmington, DE, who testified on behalf of the Blockchain Association; Mr. Jim Harper, Visiting Fellow, American Enterprise Institute, Washington, D.C.

The witnesses discussed how blockchain can be used for things like cryptocurrency, but also has many other uses, including tracking goods in global supply chains or enabling peer-to-peer transactions between connected devices. Mr. Bigelow discussed how blockchain technology is used to digitize vital records, and how secure digital access to such records can be beneficial to small businesses. Ms. Dickson discussed how her small business utilizes blockchain technology, and also outlined how SBA programs and resource partners have engaged with this emerging technology. Mr. Ammori provided Committee Members a basic understanding of the varied applications of blockchain technology including how it can improve cybersecurity, payment processing, and record keeping. He outlined how blockchain technology can help small businesses compete on a level playing field with larger companies and also eliminate the need for intermediaries in a number of business transactions. Mr. Harper discussed how blockchain technology can help lower costs for small businesses, allow for diversified and open market structures, and reduce the competitive advantage that large businesses have with big data.

THE IMPACT OF CORONAVIRUS ON AMERICA'S SMALL BUSINESSES

On Tuesday, March 10, 2020, the Committee on Small Business met for a hearing titled: "The Impact of Coronavirus on America's Small Businesses." During the hearing, members heard from public health experts, small business owners, and economists about the early toll of the COVID-19 pandemic on America's small firms and how it would affect them moving forward as the nation began to shut down.

The panelists were: Dr. Jennifer Huang Bouey, Ph.D., M.D., Senior Policy Researcher, Tang Chair in China Policy Studies, Rand Corporation, Arlington, VA; Mr. Jay Ellenby, President Safe Harbors Business Travel Group, Bel Air, MD, Testifying on behalf of the American Society of Travel Advisors (ASTA); Mr. Andrew Chau, Co-Founder and CEO, Boba Guys-Tea People USA, Brisbane CA and; Dr. Yanzhong Huang, Ph.D., Senior Fellow for Global Health, Council on Foreign Relations, Professor, Seton Hall University's School of Diplomacy and International Relations, Washington, D.C.

Dr. Bouey testified about the early effects of the COVID-19 pandemic in China, and how the economic shutdown in the country was likely to hurt small U.S. firms that engage in international trade. She also clearly emphasized the two epidemics that arise when a viral outbreak hits: that of fear, and that of disinformation. Mr. Ellenby testified about the early effects on the travel industry, which was one of the earliest casualties from the pandemic. He praised the committee for its work on the EIDL program and went further to say small firms needed additional help, especially in the

travel industry which had already began mass layoffs. Mr. Chau described the early effects of the virus on Asian-American communities here in the U.S., which had a significant decline in traffic in the lead up to economic shutdowns across the country. He described the prejudice and disinformation that was hurting these companies' ability to stay afloat. Dr. Huang echoed the sentiments of Dr. Bouey and put a greater emphasis on the supply chain issues many small companies in the U.S. faced due to economic shutdowns in China.

MEMBER DAY HEARING ON COVID-19 RESPONSE AND RECOVERY:
COMMITTEE ON SMALL BUSINESS

On Thursday, April 23, 2020, the Committee on Small Business held a hearing titled: "Member Day Hearing on COVID-19 Response and Recovery: Committee on Small Business". The hearing gave Members of the House of Representatives, including non-Committee Members, the opportunity to testify before the Committee about priorities related to the Paycheck Protection Program (PPP) and the Economic Injury Disaster Loan (EIDL) as established under the CARES Act. The hearing was comprised of six panels.

The witnesses for panel one were: The Honorable Ed Case, The Honorable Andy Barr, The Honorable Gil Cisneros, The Honorable Gus Bilirakis, The Honorable Veronica Escobar, The Honorable Ted Budd, The Honorable Jimmy Gomez, and The Honorable Mark Amodei.

The witnesses for panel two were: The Honorable Deb Haaland, The Honorable Bradley Byrne, The Honorable Steven Horsford, The Honorable Buddy Carter, The Honorable Derek Kilmer, The Honorable John Curtis, The Honorable Susie Lee, and The Honorable Michael Burgess.

The witnesses for panel three were: The Honorable Elaine Luria, The Honorable Morgan Griffith, The Honorable Tom Malinowski, The Honorable Dusty Johnson, The Honorable Joe Neguse, The Honorable Mike Johnson, The Honorable Donald Norcross, and The Honorable Brian Fitzpatrick.

The witnesses for panel four were: The Honorable Dean Phillips, The Honorable Fred Keller, The Honorable Max Rose, The Honorable Greg Pence, The Honorable Adam Schiff, The Honorable Tom Rice, The Honorable Kim Schrier, and The Honorable John Katko.

The witnesses for panel five were: The Honorable Mikie Sherrill, The Honorable Chip Roy, The Honorable Elissa Slotkin, The Honorable Lloyd Smucker, The Honorable Abigail Spanberger, The Honorable Scott Tipton, The Honorable Haley Stevens, and The Honorable Phil Roe.

The witnesses for panel six were: The Honorable Mike Thompson, The Honorable Ann Wagner, The Honorable Steve Womack, and The Honorable Glenn Thompson.

UPDATE FROM THE SMALL BUSINESS ADMINISTRATION'S RESOURCE
PARTNERS ON THE IMPLEMENTATION OF THE CARES ACT

On Thursday, May 7, 2020, the Committee on Small Business met for a bipartisan virtual forum titled: "Update from the Small Business Administration's Resource Partners on the Implementation of the CARES Act." The virtual forum focused on the Resource

Partner implementation of the CARES Act, what is working well and what can be improved. The virtual forum examined the slow disbursement of CARES Act funding, a lack of clear and consistent guidance from SBA, a lack of communication from SBA, and the delay in SBA implementing CARES Act language services requirements.

The panelists for the virtual forum were: Mr. Tee Rowe, President and CEO, America's SBDC, Burke, VA; Ms. Corinne Hodges, CEO, Association of Women's Business Centers, Washington, D.C.; Ms. Bridget Weston, Acting CEO, The Service Corps of Retired Executives (SCORE), Herndon, VA.; Ms. Amy Amoroso, Director, Veteran's Business Outreach Center, Region II NY/NJ/PR/USVI, Watervliet, NY; Ms. Linda Womack, Director, Minority Business Development Agency, Tacoma-Business Center, Tacoma Washington.

SBA Resource Partners stated that, since the beginning of the COVID-19 outbreak, they experienced a dramatic increase in clients, doing a years' worth of work within a few months. Resource Partner's stated that their focus was to help their clients navigate the Federal resources provided through the CARES Act, create resiliency plans for a long-term loss of revenue, and pivot to virtual and remote customer service. In addition, Resource Partners stated that the conflicting information and guidance from SBA hindered their ability to provide accurate and timely information to small business owners and entrepreneurs. Lastly, the Resource Partners stated that they relied on the languages services that their centers can provide in-house because SBA had not provided services and materials in foreign languages.

A CONVERSATION WITH SBA PAYCHECK PROTECTION PROGRAM LENDERS

On Wednesday, May 13, 2020, the Committee on Small Business held a bipartisan virtual forum titled: "A Conversation with SBA Paycheck Protection Program Lenders" led by Subcommittee on Economic Growth, Tax, and Capital Access Chairman Andy Kim (D-NJ) and Ranking Member Kevin Hern (R-OK). During the forum, Committee Members learned about the issues lenders and borrowers encountered in the program. Members also discussed potential improvements with the panelists.

The panelists were: Mr. Tony Wilkinson, President, National Association of Government Guaranteed Lenders (NAGGL); Ms. Dafina Williams, Vice President of Public Policy, Opportunity Finance Network (OFN); Mr. Brett Palmer, President, Small Business Investor Alliance (SBIA); and Mr. D. Jay Hannah, Executive Vice President of Financial Services, BancFirst Bank.

Mr. Wilkinson's testimony provided a broad overview of the issues Paycheck Protection Program (PPP) lenders faced early in the program, which for lenders, centered on a lack of programmatic guidance, both for program operations, and specifically on the forgiveness rule. Mr. Wilkinson also testified that many borrowers reported the forgiveness terms were too restrictive, and that they would struggle to achieve full forgiveness. Ms. Williams testified from the perspective of Community Development Financial Institutions (CDFIs) following the \$60 billion set-aside for community

lenders that was included in the Paycheck Protection Program and Health Care Enhancement Act. Mr. Palmer testified regarding the role the SBA's Small Business Investment Company Program can play in providing long-term recovery funding, particularly for those businesses who need different capital solutions than traditional bank financing or a PPP loan. Mr. Hannah offered the perspective of a community banker participating in the PPP and testified regarding the job-saving impact the program was having on his community.

FIRST LOOK: SBA OFFICE OF INSPECTOR GENERAL PRELIMINARY
PAYCHECK PROTECTION PROGRAM REPORT

On Friday, May 15, 2020, the Committee on Small Business met to hold a bipartisan virtual forum titled: "First Look: SBA Office of Inspector General Preliminary Paycheck Protection Program Report" led by Subcommittee on Investigations, Oversight, and Regulations Chairwoman Judy Chu (D-CA) and Ranking Member Ross Spano (R-FL). The forum focused on the Small Business Administration (SBA) Office of Inspector General's (OIG) plan to conduct audits and reviews of the CARES Act Paycheck Protection Program (PPP) and Economic Injury Disaster Loan (EIDL) program. The virtual forum also included a discussion on the "Flash Report" released on May 8, 2020, by the SBA OIG that outlined where SBA's interim final rules (IFR) and FAQs were aligned with the intent of the CARES Act and where they differed.

The panelist for the virtual forum was: The Honorable Hannibal "Mike" Ware, the Inspector General of the Small Business Administration.

The panelist stated that the OIG plans to leverage past oversight work, aimed at reducing fraud, waste, and abuse, and utilize lessons learned from previous audits to inform the CARES Act funding recipients and SBA on ways to avoid risk areas. The panelist also detailed the findings from the May 8, 2020, "Flash Report" that stated that SBA did not issue guidance to prioritize underserved markets or to lenders on the deferment process. In addition, the OIG stated that SBA implemented two requirements that did not align with the CARES Act; the requirements that 75 percent of the PPP loan be used for payroll and that borrowers repay any amount not eligible for forgiveness within two years. The panelist suggested that SBA could improve upon the findings in the "Flash Report" by issuing appropriate guidance, collecting demographic data on loans, and evaluate the negative impact of the 75 percent of PPP usage rule and reevaluate as necessary.

THE EFFECTS OF COVID-19 ON RURAL ECONOMIES

On Wednesday, May 20, 2020, the Committee on Small Business held a bipartisan virtual forum titled: "The Effects of COVID-19 on Rural Economies" led by Subcommittee on Rural Development, Agriculture, Trade, and Entrepreneurship Chairwoman Abby Finkenauer (D-IA) and Ranking Member John Joyce (R-PA). This forum provided an opportunity for members of Congress to hear from rural leaders about the impacts of COVID-19 on rural communities and how Small Business Administration's (SBA) programs, and other federal programs, are addressing the issues.

At the virtual forum, members heard from the following panelists: Mr. Bill Menner, Executive Director of the Iowa Rural Development Council, Grinnell, Iowa; Ms. Melissa Moretz, Farmer at Moretz Farm and Commercial Portfolio Manager at First Citizens Bank, Mason City, Iowa; Ms. Ines Polonius, CEO of Communities Unlimited, Fayetteville, Arkansas; Mr. Rick Ebert, President of Pennsylvania Farm Bureau, Blairsville, Pennsylvania.

The witnesses testified about programs in the CARES Act that were intended to provide relief for struggling small businesses impacted by the global COVID-19 pandemic, including programs at SBA and USDA. Witnesses discussed rural community vitality, health, and well-being, and pointed out that many rural communities had challenges prior to the outbreak of COVID-19 such as capital access, and broadband connectivity issues which have been exacerbated by COVID-19 and need to be addressed as part of comprehensive recovery efforts. Witnesses also discussed many CARES act programs and their importance for rural communities. However, some witnesses pointed out that these programs are only helpful if the businesses and communities have knowledge of the programs and access to lenders or resource partners. Some witnesses pointed out that many rural communities are unbanked, and the important role that CDFIs and other microlenders play in supporting rural small businesses. Witnesses also discussed the impacts of the COVID-19 pandemic on agriculture. One witness pointed out that the loss of markets has impacted farm businesses around the country, many farmers initially had problems in accessing SBA CARES act programs. Additionally, many of the witnesses outlined the importance of 501(c)(6) and other non-profits in rural communities and discussed the desire for those entities to be eligible for CARES act supports.

BUSINESS INTERRUPTION COVERAGE: ARE POLICYHOLDERS BEING LEFT BEHIND?

On Thursday, May 21, 2020, the Committee on Small Business held a bipartisan virtual forum titled: “Business Interruption Coverage: Are Policyholders Being Left Behind?” It was led by Subcommittee on Innovation and Workforce Development Chairman Jason Crow (D-CO) and Ranking Member Troy Balderson (R-OH). During the forum, Committee Members learned about the issues small business insurance policyholders have faced in making pandemic-related insurance claims. Members also discussed various proposed solutions.

The panelists were: Mr. Chris Morrow, Owner, Northshire Bookstore; Mr. Francisco Schlotterbeck, CEO, Maya Cinemas; Mr. Mark Shaker, Co-Founder, Stanley Marketplace; Mr. John W. Houghtaling II, Managing Partner, Gauthier Murphy & Houghtaling LLC; and Sean Kevelighan, President and CEO, Insurance Information Institute.

As a bookstore owner with stores in two states, Mr. Morrow testified as to the challenges he faced with two different sets of insurance rules governing the policies in each state. Mr. Schlotterbeck testified regarding the unique impact the pandemic was having on movie theaters and other businesses who depend on gathering people together. Mr. Shaker’s testimony offered the perspective of a

small business owner who also rents space in his marketplace to other small businesses, and shared with the Committee some of the ways in which he has been able to offer his tenants relief. Mr. Houghtaling testified regarding policyholder's rights under business interruption insurance policies generally, and especially with regard to policies that explicitly include coverage for viral pandemics claims on which have been denied. Mr. Houghtaling also testified regarding some potential solutions for policyholders. Mr. Kevelighan testified from the insurance industry's perspective and argued against relief for policyholders under many existing contracts.

SMALL BUSINESS PRIORITIES FOR THE NEXT PHASE OF RECOVERY:
HOW TO LEVERAGE THE SMALL BUSINESS DEVELOPMENT CENTER
NETWORK

On Thursday, May 28, 2020, the Committee on Small Business met for a bipartisan virtual forum led by Subcommittee Contracting and Infrastructure Chairman Jared Golden (D-ME) and Ranking Member Pete Stauber (R-MN) titled: "Small Business Priorities for the Next Phase of Recovery: How to Leverage the Small Business Development Center Network." The virtual forum provided an opportunity for Members to learn how Small Business Development Centers (SBDCs) have supported small businesses in their local communities through the COVID-19 pandemic and examined the challenges businesses face through phased reopening. The forum also discussed how H.R. 4406, the Small Business Development Center Improvement Act of 2019, would allow SBDCs to reach more small businesses through marketing.

The panelists for the virtual forum were: Mr. Tee Rowe, President and CEO, America's SBDC, Burke, VA; Mr. Mark Delisle, State Director, Maine SBDC, Portland, ME; Mr. Joe Musumeci and Ms. Mary Ellms, Co-Owners, Farmington Underground Escape Room, Farmington, ME; Mr. Bruce Strong, State Director, Minnesota SBDC, St. Paul, MN.

The panelists stated that fragmented phased reopening requirements across the country created confusion among SBDC counselors, clients, and customers. In addition, seasonal businesses were negatively impacted by closures as they rely on the summer months to generate a large portion of their annual revenue. Panelists stated that this frustration was compounded when seasonal businesses initially had to calculate Paycheck Protection Program (PPP) applications with their current number of staff, not their peak staff level. While this was addressed through an April 2, 2020 Interim Final Rule (IFR) from the Small Business Administration (SBA), seasonal businesses have had to use SBDCs to get creative and pivot their business models to adapt and survive.

Panelists also discussed the negative impact of SBDCs being unable to market their services. Panelists stated that more small businesses and entrepreneurs could use the invaluable services that SBDC provide but, they may be unaware of their existence in their communities. Panelists stated that if Congress were to pass H.R. 4406, the bills marketing provisions would help small businesses learn about and access the services of SBDCs across the country.

THE ECONOMIC INJURY DISASTER LOAN PROGRAM: A VIEW FROM MAIN STREET

On Wednesday, June 10, 2020, the Committee on Small Business held a virtual hearing titled: “The Economic Injury Disaster Loan Program: A View from Main Street.” During the hearing, Committee Members learned about the SBA’s Economic Injury Disaster Loan (EIDL) program, which was made available to small businesses, independent contractors, and certain nonprofits as a way to provide financial assistance for harm caused by the COVID–19 pandemic issues small business insurance policyholders have faced in making pandemic-related insurance claims. Members also discussed various proposed solutions.

The panelists were: Ms. Nancy Sexton, Owner, The Muse Rooms, North Hollywood, CA; Mr. Jerome Whack, Owner, Christian Street Pharmacy, Philadelphia, PA; Dr. Craig Gerstein, Ophthalmologist, Gerstein Eye Institute, Chicago, IL; Ms. Karen Kerrigan, President and CEO, SBE Council, Vienna, VA.

As the owner of a co-working space for other entrepreneurs, Ms. Sexton’s testimony offered the perspective of a small business owner who also rents space to other small businesses, and shared with the Committee some of the unique challenges she faced and how she tried to offer her tenants relief. She also testified regarding her expectations that the EIDL would provide long-term low-interest capital for flexible uses, and was disappointed to learn that neither her EIDL loan or advance amounts would meet her needs. Mr. Whack’s testimony focused on how the pandemic had a disproportionate impact on communities of color, and how his pharmacy struggled through the pandemic with particularly thin margins but continued to serve the community. He was hopeful the EIDL Advance would have provided a quick bridge to longer-term capital, but an unintentional error kept him from quickly accessing funds. Dr. Gerstein’s testified that he needed a loan of about \$800,000 to \$1 million in order for his business to survive the pandemic and felt that with a maximum loan size of \$2 million, the EIDL program was perfect for his needs. He testified regarding his disappointment at the SBA-imposed \$150,000 cap on loan sizes, and how he was then forced to seek more expensive capital elsewhere. Ms. Kerrigan’s testimony summarized numerous issues with borrower’s experience in the EIDL program, and offered numerous recommendations for improving the EIDL program, which included increasing transparency with stakeholders about changes and why they are being made.

PAYCHECK PROTECTION PROGRAM: LOAN FORGIVENESS AND OTHER CHALLENGES

On Wednesday, June 17, 2020, the Committee on Small Business held a virtual hearing titled: “Paycheck Protection Program: Loan Forgiveness and Other Challenges.” During the hearing, Committee Members learned about the SBA’s Paycheck Protection Program (PPP) and the issues borrowers and lenders faced in applying for and using the loans, especially regarding the eligible use of proceeds that qualify borrowers for full loan forgiveness. Members also heard about the positive experiences and impact of the program,

feedback regarding recently enacted changes to the program, and recommendations to continue optimizing the program.

The panelists were: Ms. Melissa Kelly, Executive Chef and Proprietor, Primo, Rockland, ME; Mr. Eduardo Sosa, Senior Vice President, SBA Lending, Commerce National Bank, West Lake Hills, TX; Ms. Ashley Harrington, Director of Federal Advocacy and Senior Counsel, Center for Responsible Lending, Washington, DC; and Dr. Rich Coleman, DVM, Owner, Four Paws Animal Hospital, Lebanon, OH.

Ms. Kelly testified that the restricted use of PPP loan funds limited the business-saving value of the loan to her business, which needed relief beyond payroll support, though she did retain multiple employees. Mr. Sosa's testimony offered the perspective of a seasoned 7(a) lender with deep knowledge and experience with the 7(a) loan program. He reported frustrations with the PPP, particularly the lack of programmatic guidance for lenders and forgiveness guidance for borrowers. Ms. Harrington's testimony focused on the disproportionate impact the COVID-19 pandemic was having on businesses of color and urged Congress to strengthen community lender set asides. Both Mr. Sosa and Ms. Harrington urged Congress to provide automatic loan forgiveness for all PPP loans of at least \$125,000. Dr. Coleman's testimony provided a generally positive review of the program, as the loan helped him save 34 jobs at his animal hospital, and reported his only concern with the loan process was that the documents he signed did not have any language discussing loan forgiveness terms, and felt he was signing the loan in good faith that the government would honor forgiveness.

THE ECONOMIC INJURY DISASTER LOAN PROGRAM: STATUS UPDATE FROM THE ADMINISTRATION

On Wednesday, July 1, 2020, the Committee on Small Business held a hybrid hearing titled: "The Economic Injury Disaster Loan Program: Status Update from the Administration." During the hearing, Committee Members heard about the SBA's implementation of the Economic Injury Disaster Loan (EIDL) program during the Coronavirus pandemic (COVID-19). Members also asked Mr. James Rivera, the Associate Administrator for ODA, about his plan to strengthen the program in the coming months, and what programmatic changes were needed from Congress in order to improve the program's operations and reach.

The sole witness was Mr. James Rivera, Associate Administrator for the SBA's Office of Disaster Assistance.

Mr. Rivera testified that the SBA's decisions to cap EIDL loan sizes at \$150,000, and to limit EIDL Advances to \$1,000 per employee, were out of a desire to ensure limited program funds could reach all borrowers. He also testified regarding the numerous challenges the agency faced ramping up the program in response to COVID-19, which saw more disaster lending than for any other disaster in the agency's history, combined. At the time of the hearing, Mr. Rivera reported that ODA staff totaled over 7,000 personnel, which was an all-time high for SBA's disaster response efforts. He also addressed concerns over SBA's lack of communication with borrowers and stakeholders.

LONG-LASTING SOLUTIONS FOR A SMALL BUSINESS RECOVERY

On Wednesday, July 15, 2020, the Committee on Small Business met for a virtual hearing titled: “Long-Lasting Solutions for a Small Business Recovery.” The hearing focused on current barriers and solutions to recovery for small businesses. It explored efforts to stimulate small business growth following the Great Recession, applying those programs to the Coronavirus Pandemic (COVID-19), and new ideas to help industries that have been disproportionately impacted by COVID-19.

The witnesses for the hearing were: Mr. Brett Palmer, President of the Small Business Investor Alliance; Ms. Amanda Cohen, Chef and Owner of Dirt Candy; Dr. Lisa D. Cook, Professor at Michigan State University; and Mr. Pete Blackshaw, CEO of Cintrifuse.

The witnesses testified how small businesses and the economy as a whole were doing before and during the pandemic. All of the witnesses discussed how SBA and government programs, such as Economic Injury Disaster Loan Program (EIDL) and Paycheck Protection Program (PPP) have helped their businesses during the COVID-19 pandemic. The witnesses provided recommendations on how SBA and the Federal government could further improve programs to assist small businesses during and after the COVID-19 pandemic. For example, Mr. Palmer suggested improving the SBIC program to help challenges with accessing capital—especially equity and growth capital—and improving access to short-term lines of credit. While Dr. Cook focused on how to target the PPP and EIDL programs to further assist women and minority-owned businesses.

Additionally, the witnesses emphasized how the current SBA programs have not fully addressed problems in rural communities and with women-owned, minority-owned, and microbusinesses. Two of the witnesses Dr. Cook and Ms. Cohen advocated that moving forward, there needs to be more access to grants, rather than loans, to target the most underrepresented groups. Ms. Cohen also advocated for the RESTAURANTS Act, which would build on the successes of the PPP and Emergency EIDL grants by creating a new \$120 billion dollar grant program to provide additional support for restaurants that have been hit the hardest by the COVID-19 pandemic. Finally, Mr. Palmer testified regarding how a new “Micro-SBIC” license would help remove unintentional barriers to entry to the private equity space by minority investors.

OVERSIGHT OF THE SMALL BUSINESS ADMINISTRATION AND
DEPARTMENT OF TREASURY PANDEMIC PROGRAMS

On Friday, July 17, 2020, the Committee on Small Business held a hybrid hearing titled: “Oversight of the Small Business Administration and Department of Treasury Pandemic Programs.” During the hearing, Committee Members heard directly from the two agency heads responsible for the implementation of several legislative provisions designed to assist small businesses during the Coronavirus pandemic (COVID-19), including the Paycheck Protection Program (PPP) established under the CARES Act, as well as SBA’s long-standing EIDL program. Members also asked the panel-

ists about further policy changes to ensure the programs are reaching underserved small businesses.

The witnesses were the Honorable Steven Mnuchin, U.S. Secretary of the Treasury and the Honorable Jovita Carranza, Administrator of the Small Business Administration (SBA).

Secretary Mnuchin testified in support of setting aside PPP dollars for minority-owned businesses, though he did not commit to a specific amount. Mr. Mnuchin's testimony also provided an update regarding PPP data and the agencies' cooperation with the Government Accountability Office (GAO). He further testified about other Treasury pandemic programs, such as the Economic Impact Payments and Federal Reserve facilities. Administrator Carranza testified that SBA's Office of Capital Access approved over 3,600 new lenders who have never before participated in SBA lending, and that over 5,300 lenders were in the smallest lender category. She also testified these lenders reported making the highest number of loans. She further testified that though SBA continues to process and approve EIDL loans, the agency exhausted the \$20 billion provided for EIDL Advances. Members also pressed the Administrator to lift the \$150,000 cap on the EIDL, stating the decision short-changed millions of small businesses.

TRANSPARENCY IN SMALL BUSINESS LENDING

On Wednesday, September 9, 2020, the Committee on Small Business held a hearing titled: "Transparency in Small Business Lending." During the hearing, Committee Members learned about the importance of transparency in the terms and pricing of small business loans, especially in a credit market filled with predatory lenders. Members heard from a large Community Development Financial Institution (CDFI) that recently partnered with two financial technology (Fintech) companies to expand access to affordable capital to underserved borrowers. Members also heard from a second CDFI lender and fair lending advocate about state-level efforts to improve transparency in small business lending, and more broadly about the risks presented to small business owners by some Fintech products. Members also asked the legal expert on the panel how the current patchwork of state and federal law cannot properly oversee and regulate the small business credit market, and recommendations for improving transparency and fairness in small business lending without hurting the affordability of credit.

The witnesses were: Ms. Luz Urrutia, CEO, Opportunity Fund, San Jose, CA; Ms. Yanki Tshering, Executive Director, Business Center for New Americans, New York, NY; Mr. Adam Levitin, Professor of Law, Georgetown University Law Center, Washington, DC; and Mr. Michael Hiles, Founder and CEO, 10XTS, Cincinnati, OH.

Ms. Urrutia testified regarding the ways Fintech advances can be deployed responsibly to improve access to affordable capital for small businesses. Specifically, she testified that her CDFI's recent partnership with two large Fintech companies allows her CDFI to expand its geographic reach across the country. Ms. Tshering testified regarding the impact unfair lending practices and terms can have on minority and immigrant small business owners, and as a CDFI lender has refinanced many predatory loans into more afford-

able products. She, along with Ms. Urrutia and Mr. Levitin, broadly agreed that Representative Velázquez’s bill, H.R. 7889 which was introduced on July 30, 2020 and would apply the Truth in Lending Act to small business loans, is a step in the right direction to protect small businesses and enhance the role of the Consumer Financial Protection Bureau in policing the small business credit market. Mr. Levitin testified regarding the legal framework that enables predatory small business lenders to operate relatively unchecked—a loose and inconsistent patchwork of state and federal laws that fail to properly oversee and consistently regulate market participants. Mr. Hiles testified regarding the opportunities Fintech advances presents for improving operations and efficiency at SBA and the federal government overall. He also testified on the shifting expectations of younger consumers with respect to technology, how it is changing the nature of banking, and how this will impact the future of small business borrowing.

TAKING CARE OF BUSINESS: HOW CHILDCARE IS IMPORTANT FOR REGIONAL ECONOMIES

On Wednesday, September 30, 2020, the Committee on Small Business held a hybrid hearing titled: “How COVID–19 is Impacting Small Businesses Across the Food System.” This hearing gave members a chance to hear about the role of small businesses within our food production, distribution, and retail systems, the challenges they are facing, and how federal programs are addressing these challenges.

Witnesses included: Ms. Kimberly Gorton, President and CEO, Slade Gorton & Co., Inc., Boston, MA; Mr. Jimmy Wright, President, Wright’s Market, Opelika, AL; Mr. Rob Larew, President, National Farmers Union, Washington, DC; Mr. Collin Castore, Owner, Seventh Son Brewing, President, Ohio Craft Brewers Association (OCBA), Columbus, OH.

Witnesses discussed the various ways that COVID–19 has exposed numerous vulnerabilities across our food system, and the impacts on farmers, ranchers, fisheries, and retailers. Ms. Gorton discussed how the fisheries and seafood industry are dealing with a 70% decline and billions in lost sales, and also with the job losses due to COVID–19. She outlined how the small businesses in the middle of the food supply chain are critical links in distribution, are hurting due to significantly decreased demand, and also provide essential financing/credit via accounts receivable to restaurant customers. Mr. Wright discussed issues facing small retailers, as they struggled to compete with larger retailers for in-demand products. He discussed both supply chain shortages and changing technologies that have been impacting food retail. He also discussed the importance of federal nutrition programs like SNAP, that help address food insecurity around the nation.

Mr. Larew outlined the numerous challenges facing American farmers and ranchers due to the pandemic. He discussed supply chain distributions, consolidation across the food and agricultural sectors, and the impact of COVID–19 outbreaks at processing plants. He also discussed how food and farm workers are on the front lines of the pandemic, and the challenges they face. Mr. Castore discussed the economic impact of COVID–19 restrictions on

his small business, and the loss of revenue with reduction of on-premises alcohol consumption.

PART B

SUBCOMMITTEE HEARINGS

FIRST SESSION OF THE 116TH CONGRESS

EXPLORING CHALLENGES AND OPPORTUNITIES OF UNDERSERVED BUSINESSES IN THE 21ST CENTURY

On Thursday, February 7, 2019, the Subcommittee on Economic Growth, Tax, and Capital Access held a hearing titled: “Exploring Challenges and Opportunities of Underserved Businesses in the 21st Century.” The hearing allowed Members to explore the challenges faced by women-owned, minority-owned, veteran-owned businesses, and rural businesses; how those businesses have overcome those challenges; and how Congress can enhance opportunities for growth within each of those entrepreneurial communities.

Witnesses on the panel were: Ms. Sharon Pinder, President & CEO, Capital Region Minority Supplier Development Council; Ms. Marla Bilonick, Executive Director, Latino Economic Development Center; Mr. Davy Leghorn, Assistant Director, American Legion Veterans Employment & Education Division; and Mr. Michael Romano, Senior Vice President, Industry Affairs & Business Development, NTCA—The Rural Broadband Association.

In her testimony, Ms. Pinder questioned why the SBA hasn’t licensed more minority-led small business investment companies (SBICs), and argued that diverse businesses play a critical role in closing the racial wealth gap. Ms. Bilonick testified that though underserved businesses tend to face many challenges, the most significant are a lack of access to capital, lack of access to information and educational resources, poor or no credit history, and systemic and institutional racism and sexism. In his testimony, Mr. Leghorn argued that the Department of Veterans’ Affairs Veterans First Contracting Program should be legislatively extended to the Department of Defense and Department of Homeland Security. He also testified that to prevent lapses in federal appropriations from inhibiting the ability of lenders in the SBA’s loan programs to make loans, SBA’s loan processing staff should be designated “essential workers.” Mr. Romano testified on the challenges many rural-based businesses face in accessing affordable and reliable broadband Internet. He also testified that the primary challenge of rural network development is “making a business case for constructing networks across hundreds or thousands of miles where the population is sparse, the terrain is diverse, and the permitting and contractual considerations can be substantial.”

SHUTDOWN LESSONS: SBA CAPITAL ACCESS PROGRAMS

On Tuesday, February 26, 2019, the Subcommittee on Investigations, Oversight, and Regulations held a hearing titled: “Shutdown Lessons: SBA Capital Access Programs.” The hearing allowed Members to explore the challenges faced by the Small Business Administration’s (SBA) Office of Capital Access during the recent 35-day partial government shutdown, as well as any lessons learned from conducting its business during a lapse in appropriations.

The sole witness was Mr. William Manger, Associate Administrator, Office of Capital Access, SBA.

Mr. Manger testified that during the government shutdown of 2018–19, SBA was unable to approve loans, nor was able to accept new loan applications. SBA was also unable to process applications for SBA-guaranteed surety bonds. All new secondary market 7(a) loan pools were stopped and purchasing of SBA-guaranteed loans was also halted. He also testified that though most routine activity in the Office of Capital Access ceased to operate, a few excepted and exempt operations were functional during the lapse, including the administrative closing of certain pre-approved and obligated 504 loans, continued applications and servicing actions on disaster loans, and the Lender Match platform.

SMALL BUT MIGHTY: A REVIEW OF THE SBA MICROLOAN PROGRAM

On Thursday, March 7, 2019, the Subcommittee on Economic Growth, Tax, and Capital Access held a hearing titled “Small but Mighty: A Review of the SBA Microloan Program.” The hearing allowed Members to learn about the program and its functions, explore opportunities to continue strengthening the program, and listen to some of its success stories.

Witnesses on the panel were: Ms. Ceyl Prinster, President & CEO, Colorado Enterprise Fund, Denver, CO; Ms. Carolina Martinez, CEO, California Association for Micro Enterprise Opportunity, San Francisco, CA; Ms. Mariama Jallow, Owner, Mariama’s Beauty Supply, Portland, ME; and Ms. Michelle Richards, Executive Director, Great Lakes Women’s Business Council, Livonia, MI (*testified on behalf of Women Impacting Public Policy*).

Ms. Prinster testified in favor of two changes to the Microloan program she believes would reduce administrative burdens on both Intermediaries and the SBA, and facilitate improved processes to support small businesses seeking credit. The first is the elimination of the “one-fifty-fifth rule,” which places an annual limitation on the distribution of loan funds for the first half of the year to the lesser of \$800,000 or one-fifty-fifth of the new funds appropriated. The second is the elimination of the “50–50 rule,” which governs the amount of technical assistance grant funds an Intermediary may use on pre-loan vs. borrower support. Ms. Martinez also testified in favor of eliminating the 50–50 rule, as well as amending the one-fifty-fifth rule and for creating a reserve fund at SBA so that SBA can deploy capital throughout the year in the event of a lapse in appropriations. She also testified that SBA should make Microloan data publicly available on its website, similar to the data publicly available for the 7(a) program. Ms. Jallow testified regarding her positive experience as a borrower in the program, and par-

ticularly with regard to the importance of the technical assistance component of the program. Ms. Richards' testimony echoed the others in arguing for changes to the one-fifty-fifth and 50-50 rules that would provide greater flexibility to Intermediaries. She also advocated for increased public access to Microloan data.

CHALLENGES IN SBA'S STATE TRADE EXPANSION PROGRAM

On Tuesday, March 12, 2019, the Subcommittee on Rural Development, Agriculture, Trade, and Entrepreneurship held a hearing titled: "Challenges in SBA's State Trade Expansion Program." The hearing reviewed the state of the SBA State Trade Expansion Program (STEP), which was created by The Trade Facilitation and Trade Enforcement Act of 2015 (TFTEA). The program provides grants to states to increase the number of small businesses exploring trade opportunities.

The witnesses for the hearing were: Ms. Kimberly Gianopoulos, Director, International Affairs and Trade, Government Accountability Office (GAO); and Mr. Hannibal "Mike" Ware, Inspector General of the Small Business Administration.

Ms. Gianopoulos' testimony was based on a GAO report, which examined the extent to which SBA's management process provides reasonable assurance of compliance with the TFTEA and whether SBA has taken steps to address the challenges states report in using grant funds. Ms. Gianopoulos testified that SBA's management process does not provide reasonable assurance that STEP grant recipients met two of the three TFTEA requirements, which are: proportional distribution requirement, total match requirement, and cash match requirement. While SBA's process provides reasonable assurance of compliance with the proportional distribution requirement, some states report challenges with using the grant funds and SBA has not adequately assessed the risk to the program from low grant use. Ms. Gianopoulos also testified that some states cited additional challenges, which include the timing of the application and award processes, administrative burdens, and communication with SBA.

Mr. Ware testified that the performance measurements could be improved, and recipients could have been held more accountable for meeting the reporting requirements. Mr. Ware discussed the nine recommendations the OIG made to improve accountability and performance of STEP, which include (1) meet with Congress to determine STEP expectations for FY 2012; (2) ensure that STEP grant recipients' FY 2012 performance measures align with Congress' expectations; (3) require STEP grant recipients to establish and provide SBA with quarterly milestones that will measure effectiveness and efficiency on a quarterly basis; (4) in cases where STEP grant recipients do not meet established milestones, require grant recipients to provide SBA with revised work plans and budget estimates to meet proposed performance goals; (5) hold STEP grant recipients accountable for adhering to reporting requirements established in the notices of award and the FY 2012 STEP grant program announcement; (6) document and maintain all analyses, evaluations, and rationale used to award STEP grants; (7) provide Grant Officer's Technical Representative (GOTR) training to OIT personnel acting in that capacity; (8) establish and implement a policy requir-

ing GOTRs to conduct in-depth reviews of STEP grant recipients' quarterly submissions and provide feedback to grant recipients; and (9) consult with OGM to modify STEP grant terms and conditions to align with SBA's management of the program.

CLEARED FOR TAKE-OFF? IMPLEMENTATION OF THE SMALL BUSINESS RUNWAY EXTENSION ACT

On Tuesday, March 26, 2019, the Subcommittee on Contracting and Infrastructure held a hearing titled: "Cleared for Take-off? Implementation of the Small Business Runway Extension Act." The hearing examined the Small Business Runway Extension Act of 2018 and the reasons presented by the Small Business Administration to delay its implementation. Furthermore, the hearing explored potential solutions to clarify the statute's intent and mitigate any implementation challenges.

The witnesses for the hearing were: Mr. David Black, Partner, Holland & Knight, Tysons, VA; Ms. Megan C. Connor, Partner, PilieroMazza PLLC, Washington, DC; Mr. Brian Morales, President, ProCal Lighting, Vista, CA, who testified on behalf of the National Electrical Contractors Association and; Ms. Erin Allen, President, Contemporaries, Inc., Silver Spring, MD, who testified on behalf of the Montgomery County Chamber of Commerce.

Mr. Black explained the unnecessary confusion that the SBA created in the small business procurement community by claiming that the Runway Extension Act was not immediately effective upon enactment and that it was not applicable to SBA. He stated why those arguments were legally incorrect and recommended to address the issue with clarifying amendments that would shed light onto congressional intent. Moreover, he stressed that Congress had done a great thing by passing the Runway Extension Act and that delaying its implementation through any other legislative action would be taking away a benefit that had already been provided to the community.

Ms. Connor advocated for a transition period to ensure that those small firms that might be negatively impacted by Runway Extension Act are able to adequately adjust. Furthermore, she stressed that the System for Award Management—commonly known as SAM—must be modified to appropriately reflect the change in the receipts-based formula directed by the Runway Extension Act. Finally, Mr. Morales and Ms. Connor, both business owners, provided their perspective as to the benefits that the Runway Extension Act brings to small business companies that are steadily growing. They welcomed any additional measures taken by the Committee to provide further guidance, reduce confusion and ensure that the law is promptly implemented.

THE SMALL BUSINESS TRADE SNAPSHOT: AGRICULTURE AND WORKERS

On Tuesday, April 2, 2019 the Subcommittee on Rural Development, Agriculture, Trade, and Entrepreneurship met for a hearing titled, "The Small Business Trade Snapshot: Agriculture and Workers." With trade at the issues at the forefront of national conversations, small businesses which include farmers, make up ninety-seven percent of U.S. exporters.

Witnesses included, Mr. Mark Meirick, Board Member, Iowa Pork Producers Association Protivin, IA, testifying on behalf of the National Pork Producers Council; Ms. Rebecca Dostal, Iowa Farm Bureau, Traer, IA, testifying on behalf of the Iowa Farm Bureau Federation; Mr. Josh Nassar, Legislative Director, International Union, United Automobile, Aerospace, and Agricultural Implement Workers of America, UAW, Washington, D.C.; and Mr. Glenn Stoltzfus, Co-owner, Pennwood Farms, District 11 State Board Director and Dairy Committee Chairman, Pennsylvania Farm Bureau, Berlin, PA.

Mr. Meirick testified that the tariffs imposed by the Administration are currently disrupting the pork producing industry. He stated there never is a good time to have an export disruption, but the timing now is particularly bad. He went onto explain that the current trade wars are hurting pork producers because of retaliatory tariffs. Ms. Dostal testified about the importance of farming and exporting to the sustainability of rural economies, particularly Iowa. She stressed that trade deals like TPP, USMCA, a trade agreement with the EU that includes agriculture, and a trade deal with China that is fair and predictable, would expand our markets, help American farmers, and sustain our rural communities. Mr. Nassar testified that lawmakers must re-think trade policies with a focus on the ensuring American workers are protected. He testified that any effort to reset America's trade policy must also be accompanied by a strong industrial policy focused on education, workforce training, research and development, support for advanced manufacturing and technologies, building a 21st century infrastructure, balancing environmental and energy policy, and creating penalties for companies that turn their back on American workers.

SBA 7(a) BUDGET PROPOSAL AND THE IMPACT OF FEE STRUCTURE CHANGES

On Wednesday, April 10, 2019, the Subcommittee on Economic Growth, Tax, and Capital Access held a hearing titled: "SBA 7(a) Budget Proposal and the Impact of Fee Structure Changes." The hearing allowed Members to learn about the 7(a) Loan Guaranty Program and how it functions as one that usually operates at zero cost to the taxpayer. Further, the hearing examined the Small Business Administration's (SBA) budget proposal for Fiscal Year 2020 (FY2020), the proposal contained therein to adjust the fee structures in the program, and the impact the proposed changes could have on the sustainability of the 7(a) program.

There were two witness panels. Mr. Tim Gribben, Chief Financial Officer and Associate Administrator for Performance Management at SBA testified as the sole witness on the first panel. Panelists on the second panel were: Mr. Tony Wilkinson, President & CEO, National Association of Government Guaranteed Lenders, Stillwater, OK; Ms. Lynn G. Ozer, President-SBA Lending, Fulton Bank, Pottstown, PA; Ms. Gail Jansen, Vice President-Business Services & Operations, Kinecta Federal Credit Union, Manhattan Beach, CA (*testified on behalf of the National Association of Federally-Insured Credit Unions*); and Mr. Gordon Gray, Director of Fiscal Policy, American Action Forum, Washington, D.C.

On the first witness panel, Mr. Gribben testified regarding SBA's projection that in FY2020, the 7(a) program will operate at a positive subsidy, meaning SBA will need either a subsidy appropriation from Congress, or an adjustment to the fee rates.

On the second witness panel, Mr. Wilkinson testified urging the Committee to question the subsidy projection made by SBA and OMB. Ms. Ozer testified that for the 7(a) portfolio to have gone from a zero subsidy cost to a positive subsidy cost of \$99 million, there would be some indication in a worsening of the portfolio's performance, but in her view there was not. She also observed that the FY2020 budget revealed that every cohort of loans made for the past nine fiscal years showed significant downward re-estimates, meaning that in those years when SBA asked for a certain level of fees from borrowers and lenders, SBA could have asked for much less and still have covered the cost of the program at zero subsidy, that accordingly SBA has been repeatedly overcharging borrowers and lenders, and that therefore, the current subsidy model used to project the cost of the program is not working as it should. Ms. Jansen noted SBA's proposed fee structure adjustment did not propose changes for loans of \$150,000 or less, which Ms. Jansen testified was positive. However, she testified that the proposed increases to fees for loans of \$500,001 to \$1,500,000 would make it more expensive for members of her credit union to access credit at that amount. Mr. Gray testified regarding federal credit reform, and on how OMB and the various agencies that extend federal credit calculate projected subsidy costs for each fiscal year.

LOST OPPORTUNITIES? SBA'S ENGAGEMENT WITH HISTORICALLY BLACK COLLEGES AND UNIVERSITIES

On Tuesday, April 30, 2019, the Subcommittee on Investigations, Oversight, and Regulations met in room 2360 of the Rayburn House Office for a hearing titled: "Lost Opportunities? SBA's Engagement with Historically Black Colleges and Universities." The hearing examined whether Historically Black Colleges and Universities (HBCUs) are receiving adequate support from the Small Business Administration (SBA) to help develop successful entrepreneurs.

There were two panels. The first panel was comprised of two government witnesses, they were: Ms. Anna Maria Ortiz, Acting Director, Financial Markets and Community Investment, Government Accountability Office; and Mr. Allen Gutierrez, Association Administrator, Office of Entrepreneurial Development, Small Business Administration. The second panel was comprised of four representatives from Historically Black Colleges and Universities, they were: Dr. Paulette Dillard, President, Shaw University; Dr. Barron H. Harvey, Dean of the School of Business, Howard University; Dr. Michael H. Casson, Jr., Dean of the School of Business, Delaware State University; and Dr. Roslyn Clark Artis, President and CEO, Benedict College.

Ms. Ortiz testified that SBA programs and activities that foster entrepreneurship have included, but do not specifically target Historically Black Colleges and Universities (HBCUs). Preliminary observations indicate that SBA has limited data on entrepreneurship related efforts at HBCUs, and the relationships between selected

HBCUs, SBA resource partners, and district offices varied. Mr. Gutierrez testified that in the past the HBCU initiative has resided in various SBA offices, and in 2018 the Administrator directed Mr. Gutierrez to lead this effort. Moving forward, the goals will be to break down any existing silos within the HBCU engagements, foster greater coordination with the Office of Field Operations, and ensure consistency and data collection.

On the second panel, Dr. Dillard testified about Shaw's experiences and relationship with the SBA. Shaw signed a Strategic Alliance Memorandum with SBA in January 2013, with the purpose of developing and fostering a working relationship to strengthen small business development in the local area. As part of this partnership, Shaw opened a Small Business Resource Center in the fall of 2013. The Center hosts seminars and workshops on a variety of small business topics, including business planning, credit building, and marketing to students, alumni, and community residents. Dr. Shaw testified that she hopes to see greater collaboration between SBA and HBCUs, and legislation enacted to strengthen Executive Order 13779.

Dr. Harvey testified that entrepreneurship for minorities has made progress over the last six years but more needs to be done. The main challenge for African American owned small businesses is securing capital. More than one-third of minority owned firms with gross revenues under \$500,000 do not apply for a loan out of fear of rejection. Howard University hosts a lead SBDC center on campus, and Dr. Harvey discussed how HBCUs can provide opportunities for the Small Business Administration through its SBDCs to educate the next generation of entrepreneurs in the minority and African-American communities. He recommended that SBA implement a unique and special partnership with HBCUs, including expanding the number of SBDC subcenters at HBCUs from 16 to more than 50, strategically located in communities and areas of great need for economic impact.

Dr. Casson testified that the impact of the SBA's funding and services could be exponentially more significant if the University and the SBA strategically worked together to develop targeted programming that effectively integrates the talent and resources of both entities. Dr. Artis testified about Benedict's experiences with the SBA, and its Strategic Alliance Memorandum with SBA. Similar to Dr. Dillard's testimony, Dr. Artis testified that she hopes to see greater collaboration between SBA and HBCUs, and legislation enacted to strengthen Executive Order 13779.

THE DIGITAL ECOSYSTEM: NEW PATHS TO ENTREPRENEURSHIP

On Thursday, May 9, 2019, the Subcommittee on Innovation and Workforce Development held a hearing titled: "The Digital Ecosystem: New Paths to Entrepreneurship." The hearing provided the Committee the opportunity to discuss how digital platforms empower small businesses and potential barriers to the adoption.

Witnesses included Ms. Kellyn Blossom, Head of Public Policy, Thumbtack, San Francisco, CA; Ms. Erika Mozes, Co-Founder and COO, Hyr, Inc., New York, NY; and Mrs. Olivia Omega Wallace, Co-Founder, Wallace Marketing Group, Aurora, CO.

The Panel discussed how the integration of digital platforms is vital for small businesses. Mr. Blossom discussed how small businesses can benefit from tools like Thumbtack to reach larger audiences and use platform-developed data to track engagement. Ms. Mozes spoke about how hiring gig workers can help small business meet labor needs without overspending on overhead. Ms. Wallace explained why using digital marketing tools is essential for small business growth and shared ways that small businesses can adopt these tools at little to no cost.

OVERSIGHT OF THE SBA'S WOMEN-OWNED SMALL BUSINESS FEDERAL
CONTRACT PROGRAM

On Thursday, May 16, 2019, the Subcommittee on Contracting and Infrastructure held a hearing titled: "Oversight of the SBA's Women-Owned Small Business Federal Contract Program." The hearing focused on the extent to which SBA had implemented the amendments enacted in the Carl Levin and Howard P. "Buck" McKeon National Defense Authorization Act for Fiscal Year 2015 (the 2015 NDAA) to the Women-Owned Small Business Program (WOSB Program). Additionally, it focused on the extent to which SBA had addressed the deficiencies found in the 2014 GAO report and reiterated in the 2019 GAO report.

The witnesses for this hearing were: Mr. William B. Shear, Director, Financial Markets and Community Investment, U.S. Government Accountability Office, Washington D.C. and; Mr. Robb N. Wong, Associate Administrator, Office of Government Contracting and Business Development, U.S. Small Business Administration, Washington D.C.

Mr. Shear explained that out of the three changes promulgated in the 2015 NDAA, SBA had implemented just one: the sole-source authority. SBA had not eliminated the option for program participants to self-certify and had not implemented the certification program. Moreover, he explained that SBA had not addressed program oversight deficiencies highlighted in GAO's 2014 report. In particular, SBA had not established procedures to assess the performance of third party certifiers and had not taken steps to enhance eligibility examinations of program participants. Thus, GAO maintains that the implementation of sole-source authority in light of these continuous oversight deficiencies can increase risks of fraud and abuse. Furthermore, he testified that it was still a mystery to him and his team what were the challenges that contributed to the delay in the implementation of the 2015 NDAA changes. In multiple occasions, GAO received mixed information as to where the agency was in the process of creating the proposed rule for the certification program and SBA could not even provide project plans or timelines to provide much needed clarity. Mr. Shear added that, now that the proposed rule had been finally issued and in looking at its content, he was still at a loss as to why this proposed rule took so long.

Mr. Wong explained that when he started about two years ago as Associate Administrator of the Office of Government Contracting, he quickly learned that nothing had been done with regards to the WOSB certification program. However, he stressed that during his tenure, the agency has been developing a blueprint

that would offer clarity as to SBA's present state and would guide future efforts. This blueprint emphasized unifying common elements of eligibility and standardizing their processes and analysis while reducing any variations, in order to process applications across the different contracting programs. He expressed that this blueprint will also serve as a plan of action for funding and staffing needs and that it would have been irresponsible to make any such requests without having this blueprint in place. According to Mr. Wong, the main part of this blueprint has been recently completed and with it the agency can start to address the concerns raised by GAO and the 2015 changes. Moreover, he expressed that SBA's estimated date for initial implementation of the WOSB certification program is June 2021.

INVESTING IN COMMUNITY: THE SBA'S COMMUNITY ADVANTAGE LOAN PROGRAM

On Tuesday, May 21, 2019, the Subcommittee on Investigations, Oversight, and Regulations held a hearing titled: "Investing in Community: The SBA's Community Advantage Loan Program." The hearing allowed Members to learn about SBA's Community Advantage (CA) loan program, which has been on a pilot status since its creation in 2011, as a program designed to reach communities traditionally underserved by conventional lenders. The hearing also enabled Members to hear perspectives from lenders and borrowers on whether the program should be made permanent.

Witnesses on the panel were: Ms. Angela Mavridis, Owner, Tribalí Foods, San Marino, CA; Mr. Robert Villareal, Executive Vice President, CDC Small Business Finance, San Diego, CA; Ms. Janie Barrera, President and CEO, LiftFund, San Antonio, TX; and Mr. John Kropf, President, Growth Capital Corp, Cleveland, OH.

Ms. Mavridis testified regarding her experience as a borrower in the Community Advantage program, and reported a positive experience. According to Ms. Mavridis, the Community Advantage loan she took out enabled her to jump-start her business' growth, expanding distribution of her product to 35 states. Mr. Villarreal testified regarding his experience as a lender in the program, and reported that the cumulative charge-off rate on CA loans through FY2018 has been 2 percent, and the cumulative default rate has been under 4 percent. He testified that these rates are significantly lower than what SBA anticipated when the CA pilot program was initiated. Ms. Barrera similarly testified regarding her experience as a lender in the program. She reported on several metrics she argued demonstrated her organization has learned how to mitigate risk: in 25 years of business, her organization's average loan size is under \$25,000, her borrower's average FICO score is 590, and her organization has a 96 percent repayment rate. Mr. Kropf, another CA lender, testified regarding the benefits of the CA program's flexible structure that allowed his organization to partner with a bank in Ohio to provide an innovative financing structure that has, according to Mr. Kropf's testimony, worked "tremendously well" for a high volume limited balance sheet lender. Mr. Villarreal, Ms. Barrera, and Mr. Kropf all called for making the CA program permanent.

SMALL BUSINESSES AND THEIR LIMITATIONS WITHOUT RELIABLE
ACCESS TO RURAL BROADBAND

On Thursday, May 30, 2019, the Subcommittee on Contracting and Infrastructure held a field hearing at Bulltear Industries in Scandia, MN titled: “Small Businesses and Their Limitations Without Reliable Access to Rural Broadband.” The hearing allowed Members to focus on broadband deployment efforts in rural America and the challenges small firms in those areas face without reliable broadband services.

Witnesses included Mr. Adam Artz, Realtor, Realty Executives, Blaine, MN; Mr. Marc Johnson, Director, East Central Minnesota Educational Cable Cooperative, Braham, MN; Mr. Greg Carlson, Executive Director of Partnered & Affiliated Boards, Cambridge Presbyterian Homes, Roseville, MN; and Mr. Matt Crescenzo, Owner, Bulltear Industries, Inc., Scandia, MN.

Mr. Artz testified that good internet is no longer a luxury and top notch internet is a foundation of future growth. He mentioned that the majority of all paperwork is sent, signed and stored electronically and that’s next to impossible with current internet at his home. Mr. Johnson testified that small businesses are the lifeblood of communities and rural areas in East Central MN, throughout the state and around the nation. He testified that agriculture, tourism, hospitality, manufacturing, healthcare, retail and other sectors rely on the Internet to communicate with suppliers and customers, to provide their services and to stay viable. He also testified that lack of adequate internet can impact the sustainability of rural communities. He stated that without access to affordable high-speed Internet, businesses cannot thrive, families are less likely to locate in the area and it is difficult to provide a fair and equitable education. Mr. Carlson testified that work from home and business from home activities are increasing as are technology-based health care making business class broadband availability in rural neighborhoods an economic development and safety issue. Mr. Crescenzo stated his business relies on customer experience not volume but the network of very happy customers to keep his company busy. He stated adequate broadband is crucial to his company’s success that so that he can upload training videos, download customer files and talk on the phone without interruption.

MIND THE ‘SKILLS’ GAP: APPRENTICESHIPS AND TRAINING PROGRAMS

On Tuesday, June 4, 2019, the Subcommittee on Innovation and Workforce Development held a hearing titled: “Mind the (Skills) Gap: Apprenticeships and Training” The hearing provided the Subcommittee the opportunity to hear from workforce experts about the challenges facing small firms as they create jobs and what efforts are being taken to address the skills gap.

Witnesses included Mr. Joshua Broder, CEO, Tilson; Mr. Tim Herbert, Vice President of Research, CompTIA; Mr. Ronald Marlow, Vice President for Workforce Development, National Urban League; and Mr. Talbot Gee, CEO, HARDI.

The panel emphasized the importance apprenticeships and job training programs to close the skills gap. Mr. Broder shared success stories from Tilson’s apprenticeship program for tower climb-

ers. Mr. Herbert discussed the eminent importance of building a cybersecurity workforces to combat the advancement of cyber threats and the importance of building and nurturing a pipeline of cybersecurity professionals.

SBA'S STATE TRADE EXPANSION PROGRAM: THE STATES' PERSPECTIVE

On Tuesday, June 11, 2019, the Subcommittee on Rural Development, Agriculture, Trade, and Entrepreneurship held a hearing titled: "SBA's State Trade Expansion Program: The States' Perspective." The purpose of the hearing was to review the state of the SBA State Trade Expansion Program (STEP). The Trade Facilitation and Trade Enforcement Act of 2015 directed SBA to establish the program to provide grants to states to increase the number of small businesses exploring trade opportunities. The hearing allowed Members to hear the states' perspectives on SBA's State Trade and Expansion Program (STEP) and its effectiveness in providing export opportunities for small businesses.

The witnesses for the hearing were: Mr. Wade Merritt, President and State Director of International Trade at the Maine International Trade Center; Ms. Jennifer Bacon, Co-Founder of FlapJacked; Mr. Clifton Broumand, Founder and CEO of Man & Machine, Inc.; and Ms. Jennifer Black, Executive Director of Export Development for the Pennsylvania Department of Community & Economic Development in the Office of International Business Development.

Witnesses representing small business owners and state trade representatives expressed overall support for the program, but raised concerns with the timeline for awarding grants, the lack of communication with SBA, and the complexity of the reporting requirements. Mr. Wade testified to the importance of the STEP program to help small businesses penetrate international markets but raised concerns with SBA's management of the program. Ms. Bacon testified in support of the STEP program, which helped her get in front of retailers directly and bypass expensive distributors and middlemen, making it easier to offer products at affordable prices. Mr. Broumand testified in support of the STEP program, which 'primes the pump' and sets business owners up with exporting opportunities. He testified that sales do not always materialize immediately, but sometimes farther down the road. Ms. Black's testimony encouraged collaboration with states by the SBA in an effort to alleviate complex reporting requirements and administrative burdens, in addition to support for the STEP program.

THE IMPORTANCE OF ACCURATE CENSUS DATA TO SMALL BUSINESS FORMATION AND GROWTH

On Thursday, June 20, 2019, the Subcommittee on Economic Growth, Tax, and Capital Access held a hearing titled: "The Importance of Accurate Census Data to Small Business Formation and Growth" The hearing provided the Subcommittee the opportunity to hear from Small Business Development Centers (SBDCs), Regional Chambers of Commerce, and Small Businesses about the importance of census data.

Witnesses included Mr. Darrin Conroy, Library Directory, NY Small Business Development Center, Albany, NY; Mr. James

Parker, President, Riverview Studios, Bordentown, NJ; Mr. Jonathan Weinhausen, President & CEO, Minneapolis Regional Chamber of Commerce, Minneapolis, MN; Ms. Jill Dietz, Regional Center Director of Statewide Services, Oklahoma Small Business Development Center, Tulsa, OK.

The Panel emphasized the importance of accurate census data for the creation of small businesses. Mr. Conroy had a wealth of data from the NY SBDC of times census data was used by SBDC counselors to help small businesses choose a location and find their target market. James Parker himself uses census data as a way to make business decisions, and openly advocated for it on behalf of the New Jersey Main Street Alliance. Mr. Weinhausen emphasized that the amount of federal dollars that come into Minnesota due to the census were essential to the startup of new businesses because it funds infrastructure spending, workforce development programs, and education. Ms. Dietz echoed the many ways SBDC counselors use census data to help entrepreneurs make foundational business decisions.

BROADBAND MAPPING: SMALL CARRIER PERSPECTIVES ON A PATH FORWARD

On Tuesday, June 25, 2019 the Subcommittee on Contracting and Infrastructure held a hearing titled: “Broadband Mapping: Small Carrier Perspectives on a Path Forward.” Access to reliable high-speed broadband is a critical issue for small businesses. Federal funds, through grants, loans, and taxes direct funds to increase broadband throughout the U.S. The hearing allowed Members of the Committee to hear about the need for accurate broadband maps, current challenges and explored ways that federal government and private sector can work together to collect more accurate broadband coverage data.

Witnesses included Mr. Tim Donovan, Senior Vice President, Legislative Affairs, Competitive Carriers Association, Washington, DC; Ms. Beth Osler, Director, Customer and Industry Relations, Unitel, Inc., Unity, ME; testifying on behalf of the National Rural Electric Cooperative Association; Mr. Dan Stelpflug, Director, Operations, Engineering & Technology, Allamakee Clayton Electric Cooperative, Postville, IA; testifying on behalf of the NTCA—The Rural Broadband Association; and Mr. Jason Hendricks, Chief Regulatory Officer, Range Companies, Forsyth, MT; testifying on behalf of the WTA—Advocates for Rural Broadband.

Mr. Donovan testified that closing the digital divide is a critical challenge, and it has a direct impact on our ability to power all of these innovations. He stated that 5G will supercharge existing services like telehealth and precision agriculture, and enable new services such as augmented and virtual reality, autonomous vehicles, and other innovations not yet invented. Mr. Stelpflug testified that Electrical Cooperatives primarily exist to provide reliable, clean and affordable electricity to its members, they also provide robust communications infrastructure including access to quality and affordable broadband that enables rural communities to thrive and compete in an increasingly connected, global marketplace.

Ms. Osler testified that getting broadband to and keeping broadband in rural areas truly requires the best kinds of public-pri-

vate partnership. She explained that much of the extensive network in Maine today is a result of private investment. However, she mentioned that for those places where densities are low and returns on infrastructure investments are measured in decades, government support is important to help make the business case. Ms. Osler has emphasized that to be able to determine where limited resources for support should be spent, and to ensure that incentives exist for private investments where they can be justified, mapping of broadband availability and identification of unserved areas are critical.

SBA MANAGEMENT AND OVERSIGHT OF SCORE

On Thursday, July 11, 2019, the Subcommittee on Investigations, Oversight, and Regulations held a hearing titled: “SBA Management and Oversight of SCORE.” SCORE is a national, volunteer nonprofit organization comprised of 11,000 volunteers who provide free business mentoring services at nearly 350 chapters nationwide. The Office of Inspector General released an audit of the program in April 2019, which examined SBA’s oversight of the program’s funds and its achievement of program goals.

The witnesses for the hearing were: Mr. Hannibal “Mike” Ware, Inspector General, U.S. Small Business Administration; and Mr. Allen Gutierrez, Associate Administrator, Office of Entrepreneurial Development, U.S. Small Business Administration.

Mr. Ware testified on the findings of the Office of Inspector General’s (OIG) report, which found that SBA did not effectively oversee SCORE’s use of federal funds. Mr. Ware apprised the Committee of three criminal investigations for potential instances of embezzlement and whistleblower retaliation violations that resulted from the investigation. The OIG found that SCORE commingled federal funds with unrestricted donations and used federal funds for unallowable, unallocable, and unsupported costs. The OIG also found that SCORE charged for publication materials that did not include the required SBA acknowledgement statement, and improperly managed funds used for cosponsored activities. As a result, the OIG questioned \$713,986 of costs that did not adhere to the cooperative agreement requirements or were not properly supported. On a scale of 1 to 10 in terms of seriousness, Mr. Ware testified that the findings were an 8. Mr. Ware testified about the systemic issues in SBA’s grant management function and deficiencies in the oversight and monitoring of federal funds. The lack of oversight, coupled with the IT issues with EDMIS, hampered SBA’s ability to detect waste, fraud, and abuse, and further led to a culture in SCORE in which whistleblowing was discouraged.

Mr. Gutierrez testified that he is deeply troubled by the OIG’s findings, and his office has taken steps to increase the oversight of the program, which include revising the Standard Operating Procedures (SOP), clarifying the whistleblowing reporting language, developing guidance and training on federal financial management at SCORE’s upcoming National Leadership Conference, and scheduling a financial examination of the SCORE Association.

HELPING SMALL BUSINESSES COMPETE: CHALLENGES AND
OPPORTUNITIES IN THE FEDERAL PROCUREMENT MARKETPLACE

On Tuesday, July 16, 2019, the Subcommittee on Contracting and Infrastructure met for a hearing titled: “Challenges and Opportunities in the Federal Procurement Marketplace.” As part of the Subcommittee’s ongoing efforts to improve the competitive viability of small businesses, the hearing examined a variety of issues impacting small contractors, allowing members to take a look at some of the common challenges faced by small businesses in the federal contracting marketplace. The hearing also provided an opportunity for small businesses to explain how these issues directly affect their daily operations and bring forward recommendations or potential solutions to address them.

The witnesses for this hearing were: Ms. Belinda Guadarrama, Founder and CEO of GC Micro, testifying on behalf of GovEvolve—a group of small business IT value-added resellers; Mr. Bruce Lansdowne, President and CEO of Trinity Technology Partners, testifying on behalf of the Montgomery County Chamber of Commerce; Mr. Thomas J. DePace, CTS, COO and Sr. Engineering Manager, Advance Sound Company, testifying on behalf of National Electrical Contractors Association and; Ms. Dorothy Ann Callahan, Principal, D. Callahan, LLC.

Ms. Guadarrama made numerous recommendations such as modifying the employee-based formula used to calculate size standards in a similar fashion to the way the receipts-based standard was modified through the Runway Extension Act; adding SBA to the FAR Council and; increasing sole-source thresholds while eliminating option years within the sole-source authority in the different contracting programs. Furthermore, Mr. DePace spoke about the cash-flow difficulties experienced by many contractors in the construction sector and praised the Committee’s efforts for putting together H.R. 2344, which requires partial payments for unilateral change orders requested by the Government.

In general, there was an emphasis on subcontracting. For example, Mr. Lansdowne suggested empowering the OSDBUGs to monitor compliance of subcontracting plans; requiring SBA to report actual subcontracting dollars, not only percentages, in the annual scorecard and; requesting GAO to conduct a study about subcontracting authority, performance and processes. Meanwhile, Ms. Callahan recommended requiring identification of small businesses (their names) in subcontracting plans to ensure primes are held accountable; assessing performance of subcontracting plans as part of prime’s annual evaluations and; eliminating the “good-faith effort” standard in subcontracting plans and replacing it with a pass/fail rating.

HOW REGULATIONS STIFLE SMALL BUSINESS GROWTH

On Monday, July 22, 2019, the Subcommittee on Economic Growth, Tax, and Capital Access met at Oklahoma State University—Tulsa in Tulsa, OK for a field hearing titled: “How Regulations Stifle Small Business Growth.” The hearing enabled the Committee to generally examine the regulatory landscape small businesses and entrepreneurs must navigate, including its impact on

their ability to successfully operate a business, and the effect on their communities at large. Members heard from a variety of witnesses who addressed how regulations impact their businesses, industries, and their local communities.

Witnesses on the panel were: Mr. Chad Selman, Owner, Selman Farms, LLC, Skiatook, OK; Mr. Chris Jordan, President and CEO, The Farmers State Bank, Stigler, OK (*on behalf of the Independent Community Bankers of America*); Mr. Howard L. Ground, Director of Regulatory Affairs, The Petroleum Alliance of Oklahoma, Oklahoma City, OK; and Ms. Elizabeth Osburn, Senior Vice President of Government Affairs, Tulsa Regional Chamber, Tulsa, OK.

Mr. Selman testified regarding his experience hiring H-2A immigrant workers, saying that because the program is so complicated, he is forced to rely on third-party consultants for hiring H-2A workers. Mr. Jordan testified regarding the regulatory burdens faced by small community banks. He also specifically noted that as cannabis-related businesses continue to mature, they require access to the traditional banking system, and that the conflict between state and federal law has created increasingly significant legal and compliance concerns for banks that wish to provide banking services to such businesses in jurisdictions with legal cannabis. Mr. Ground testified regarding the way small oil and gas producers must comply with regulations promulgated by numerous federal agencies, including the Environmental Protection Agency, the Department of Interior, and the Department of Labor, among others. Ms. Osburn testified that small businesses in the Tulsa Regional Chamber report being burdened by reporting requirements under the Affordable Care Act. She also warned of the potential for unintended consequences in the way some regulations can impact certain small businesses, such as those in the food service industry.

SUPPORTING THE NEXT GENERATION OF AGRICULTURAL BUSINESSES

On Thursday, July 25, 2019, the Subcommittee on Rural Development, Agriculture, Trade, and Entrepreneurship held a hearing titled: “Supporting the Next Generation of Agricultural Businesses.” The hearing allowed Members to hear firsthand about the issues that are impacting young and beginning farmers, as well as the programs and services available that support our next generation of farmers and agricultural entrepreneurs.

Witnesses on the panel were Mr. Matthew Keesling, Farm Manager, Bures’ Organic Family Farm, Deerbrook, WI; Mr. Jason Grimm, Owner, Grimm Family Farm, Williamsburg, IA; Ms. Meri Lillia Mullins, Farm Manager, Lighthearted Ranch, Longmont, CO; Mr. Rodney Hebrink, President and CEO, Compeer Financial, Lakeville, MN.

The panel discussed the current state of American agriculture and the importance of supporting the new and beginning farmers as they seek to access land, capital, and programmatic support. Many of the witnesses noted the costs associated with farming, and the importance of access to capital in order to farm. Mr. Hebrink provided a strong perspective from Farm Credit about the opportunities for agricultural lending and highlighted many stories of new and beginning farmers from a variety of operations who have been

able to develop successful agricultural businesses thanks to the lending of Farm Credit.

One of the challenges that many younger farmers face is the burden of student loan debt. Both Mr. Grimm and Ms. Mullins articulating the many challenges and sacrifices they make in order to farm while in debt, and the impacts that student loan debt have on their ability to support and grow their farm enterprises. Additionally, Mr. Grimm discussed the importance of land access for young farmers and stressed the importance of supporting tax and policies that promote the transfer of farmland from older generations. Mr. Keesling discussed some of the challenges that he had securing both capital and training in agriculture, such as FSA beginning farmer requirements. Mr. Keesling also discussed how his apprenticeship program set him up for success for transition to farm ownership. He also highlighted the importance of ensuring that VA education support could go towards vocational training. All witnesses agreed that agriculture is important to our country and our communities, and that it is important to support those that choose a career in agriculture.

EXPANDING OPPORTUNITIES FOR SMALL BUSINESSES AT MILITARY BASES

On Thursday, August 1, 2019, the Subcommittee on Economic Growth, Tax, and Capital Access met for a field hearing in Moorestown, New Jersey titled: “Expanding Opportunities for Small Businesses at Military Bases”. The hearing focused on increasing procurement opportunities for small businesses with the Federal Government, particularly with the Joint Base McGuire-Dix-Lakehurst and at the state level (New Jersey).

The witnesses for the hearing were: Mr. John Whittington, Business Representative, Sheet Metal Workers Local Union 27, Farmingdale, NJ; Mr. Paul Costello, President of Del Ran Business Association and Vice President of Sciacca’s Upholstery, Delran, NJ; Mr. Raul Mercado; Director of the New Jersey Institute of Technology Procurement Technical Assistance Center, Newark, NJ; and Mr. Jeff Cantor, Founder & CEO of NJ State; Veterans Chamber of Commerce, Marlboro, NJ.

Testimony focused on the challenges small business face and the fact that small businesses in the state are not getting their fair share of contracting opportunities, especially with the base. For example, Mr. Whittington’s testimony emphasized on the lack of information when it comes to procurement opportunities with the base and insufficient lead times on project information. Lack of access to project personnel and contracting officers was another area highlighted by the witnesses. Mr. Cantor recommended having procurement fairs at the base where contracting officers can learn about the goods and services small businesses can provide. Mr. Costello also reiterated the need to encourage federal contracting personnel to reach out to small businesses to learn about what they can offer. Additionally, he suggested that the costs of entering the federal marketplace and doing business with the government should be kept within the reach of small businesses. Finally, Mr. Mercado touched upon numerous concerns that hinder small business participation. Some of the areas he discussed were: the lack

of awareness of available resources offered by PTACs, inequitable funding of PTACS, burdensome information required from small businesses and the fact that large prime contractors should play a bigger role in small business procurement, mentorship and training.

CONNECTING RURAL SMALL BUSINESSES TO BROADBAND:
CHALLENGES, SUCCESSES, AND HOW TO DO BETTER

On Friday, September 6, 2019, at University of Maine Machias in Machias, Maine, the Subcommittee on Contracting and Infrastructure met for a field hearing titled: “Connecting Rural Small Businesses to Broadband: Challenges, Successes, and How to Do Better.” This field hearing allowed Members of the Committee to review the barriers to broadband infrastructure deployment in rural America and ways increased federal investment can help close the digital divide.

Witnesses included Mr. Mark Ouellette, President & CEO Axiom Technologies, LLC Machias, ME; Mr. Chris Loughlin, Board Member, Downeast Broadband Utility Town Manager, Baileyville, ME; Ms. Lisa Hanscom, Co-Manager, Welch Farm & First Selectman Roque Bluffs, ME; and Mr. Timothy R. McAfee, CEO, Pioneer Broadband Houlton, ME.

As the CEO of a full-service internet service provider, Mr. Ouellette’s company delivers strategic and customized rural broadband deployment solutions to remote customers and communities across Maine. He testified that his company serves some of the most difficult customers to reach, in some of the most challenging and remote terrain in the United States. Importantly, he testified that internet connectivity can revitalize rural communities. Mr. McAfee testified that existing federal grant programs are sometimes very difficult to obtain. For example, he mentioned that the USDA Community Connect Grant will pay for construction of a network to every home but requires the operator to build and staff a community center with computers and Internet access. Mr. Loughlin emphasized that the fiber is the backbone of the Internet and that the middle mile also consists of fiber. He testified that the gap exists on the last mile because policy makers have relied on private companies to set the agenda and use public funds to connect customers with Digital Subscriber Lines (DSL), cable, or fixed wireless lines that use copper based technologies that are inadequate to the task of connecting every American. He continually emphasized the need that that the solution was rather simple to connect rural America and that is to build fiber networks from the source of the Internet to all homes and businesses.

GROWING THE CLEAN ENERGY ECONOMY

On Tuesday, September 10, 2019, the Subcommittee on Rural Development, Agriculture, Trade, and Entrepreneurship met for a hearing titled: “Growing the Clean Energy Economy.” Clean energy is a driving force in the global economy. This hearing discussed the importance of clean energy industries across the country, outlined the challenges and opportunities for advancing energy efficiency and renewable energy, and examined what Congress can do to support small business engagement in the clean energy economy.

Witnesses on the panel included Dr. Lynn Abramson, President, Clean Energy Business Network, Washington, DC; Mr. Thomas R. Brooks, General Manager, Western Dubuque Biodiesel, Farley, IA; Mr. Michael G. Williams, Deputy Director, BlueGreen Alliance, Washington, DC; and Mr. David J. Spigelmyer, President, Marcellus Shale Coalition, Pittsburgh, PA.

At the hearing the panel discussed the diverse ways that small businesses are engaged in the growing clean energy economy. All of the witnesses discussed the potential for growth in this space and highlighted the important role that small businesses play. Dr. Abramson outlined the large number of jobs and small businesses that are part of the clean energy economy and pointed out specific policy recommendations that Congress can take toward supporting the clean energy economy. Mr. Brooks outlined the importance that biofuels production has in rural America and highlighted the challenges that American farmers and biofuels producers are dealing with thanks to the Trump administration's handling of trade with China and the Renewable Fuel Standards.

Mr. Williams outlined the important role that American workers play in energy efficiency and clean energy technology. He highlighted that labor and environmental goals can work hand in hand, to ensure high-skilled jobs in the clean energy economy. Mr. Williams outlined the importance for an aggressive agenda that supports American leadership in clean energy innovation and manufacturing, through rebuilding American infrastructure. Mr. Spigelmyer talked about the economic opportunities that fracking and natural gas extraction have brought to certain parts of rural America, and the overall boost to the economy that has been brought about by cheap natural gas available through fracking. All witnesses agreed that there are economic benefits to supporting a clean energy economy, and that small businesses play a major role as employers, manufacturers, and consumers within the clean energy economy.

SBA PROGRAMS SPURRING INNOVATION

On Thursday September 19, 2019, the Subcommittee on Innovation and Workforce Development held a hearing titled, "SBA Programs Spurring Innovation." The hearing examined how SBA's programs, such as the Small Business Innovation Research (SBIR), Small Business Technology Transfer (STTR), and growth accelerators help innovative entrepreneurs, startups, and small businesses grow and create jobs.

Witnesses included, Ms. Alison Brown, President and CEO, Navsys Corporation, Colorado Springs, CO, testifying on Behalf of the Small Business Technology Council (SBTC); Mr. Rohit Shukla, CEO, Larta Institute, Los Angeles, CA; Mr. Javier Saade, Managing Partner & Venture Partner Impact Master Holdings & Fenway Summer Ventures, Jackson, WY; and Mr. Ron Shroder, CEO and President, Frontier Technology, Inc., Beavercreek, OH.

Ms. Brown voiced strong support for the SBIR program. She reiterated that the SBIR program was established with the purpose of strengthening the role of small, innovative firms in federally funded research and development and remains today one of the few successful paths for small businesses to bring innovations into the

hands of the warfighters. Mr. Shukla testified that the SBIR program, known as America's seed fund was designed so that the federal government as well as everyday Americans, can reap the benefits of the technologies that their tax dollars have already paid to develop. He detailed many improvements to the SBIR program that would make the program work even better. Mr. Saade mentioned that the American innovation ecosystem is one of our country's crown jewels and has been the leading source of economic growth and productivity for more than half a century. He stressed that the Growth Accelerator Fund Competition (GAFC) plays a small but important part in supporting the nation's innovation ecosystem.

CAN OPPORTUNITY ZONES ADDRESS CONCERNS IN THE SMALL BUSINESS ECONOMY?

On Thursday, October 17, 2019, the Subcommittee on Economic Growth, Tax, and Capital Access held a hearing titled: "Can Opportunity Zones Address Concerns in the Small Business Economy?" The hearing focused on what prospects the Opportunity Zones enacted in the Tax Cuts and Jobs Act provide for small businesses and local economic development.

Witnesses included Mr. Brett Theodos, Senior Fellow, Urban Institute, Washington, D.C.; Mr. Aaron Seybert, Managing Director of Social Investment Practice, The Kresge Foundation, Troy, MI; Ms. Jennifer A. Vasiloff, Chief External Affairs Officer, Opportunity Finance Network, Washington, D.C.; and Mr. John Lettieri, President and Chief Executive Officer, Economic Innovation Group, Washington, D.C.

Mr. Theodos testified that legislative and administrative reforms are needed to ensure the federal government avoids subsidizing deals that don't need the support. In particular he mentioned that reforms are needed to prevent taxpayer forgone revenues from being used locally in ways that taxpayers find incongruent with their objectives. Mr. Seybert testified that opportunity funds could help incentive new investors to enter this market but he remains concerned that there is a mismatch between the needs of small business owners and the incentives in place for investors and fund managers. Ms. Vasiloff testified that that the Opportunity Zone tax incentive is not a good match for the kind of neighborhood revitalization deals of interest to community development financial institutions, particularly those targeting small businesses. She testified that her experience, most investors are expecting double digit returns, prefer real estate to small business investments and largely shun the more challenging geographies that need an infusion of capital the most.

HARVESTING THE DIGITAL AGE: CONNECTING OUR COMMUNITIES FOR A BETTER FUTURE

On Monday, October 21, 2019, the Subcommittee on Rural Development, Agriculture, Trade, and Entrepreneurship met at Adams County Agriculture and Natural Resources Center in Gettysburg, Pennsylvania. The field hearing titled: "Harvesting the Digital Age: Connecting our Communities for a Better Future" provided an opportunity for the subcommittee chair and ranking member to hear

from community members in rural Pennsylvania about the negative impacts of lack of broadband access.

Witnesses on the panel included: Mr. Brandon Carson, Director at the Southern Alleghenies Planning and Development Commission; Mr. Mike Ross, President of FCADC; Mr. Anthony Angelini, Teacher at New Oxford Middle School; and Mr. Brock Widerman, President of Adams County Farm Bureau.

Mr. Widerman discussed the importance of having connectivity on the farm in order to keep equipment maintained, check on the health of the farm animals, and to ensure that children of farm families have access to educational tools and information. Mr. Angelini very clearly expressed the gaps in educational and personal achievement between students that have reliable internet access and those that do not. He expressed concern for the increased disparities between those students that are not able to access information or download lessons or homework. Both Mr. Ross and Mr. Carson represent county or multicounty development commissions. They highlighted the challenges they face when attempting to develop and connect business sites to broadband infrastructure for rural counties. Mr. Carson also expressed some concern and challenges around ownership of fiberoptic network cables. Overall, the desire was expressed to close the digital divide, ensure rural homes and communities have access to reliable broadband around the country, and ensure that rural American is on a level digital playing field with the rest of the nation.

NATIVE 8(a) CONTRACTING: EMERGING ISSUES

On Tuesday, October 22, 2019, the Subcommittee on Investigations, Oversight and Regulations, held a hearing titled: “Native 8(a) Contracting: Emerging Issues.” The hearing provided a full overview of the 8(a) program as it applies to native 8(a) contractors, including some of the management weaknesses the Government Accountability Office (GAO) identified. The hearing also discussed the program’s mission and overall performance; enabling Committee Members to gain valuable insight and assess whether it is working as intended.

The hearing had two panels. The first panel had one witness: Mr. Seto Bagdoyan, Director of Forensic Audits and Investigative Service, Government Accountability Office, Washington, D.C. The second panel had five witnesses: Mr. Joe Valandra, Executive Director of the Native American Contractors Association, Washington, DC; Ms. Annette Hamilton, Chief Operating Officer of Ho-Chunk Inc., Winnebago, Nebraska; Mr. Edwin A. (Skip) Vincent, Chairman and Founder of the Hawaii Pacific Foundation, Honolulu, Hawaii, testifying on behalf of the Native Hawaiian Organization Association (NHOA); Ms. Jana Turvey, President and CEO of Leisnoi, Anchorage, Alaska, testifying on behalf of the Alaska Native Village Corporation Association (ANVCA) and Ms. Christine V. Williams, Managing Partner of Outlook Law LLC, Anchorage, AK.

Mr. Bagdoyan discussed the main findings of three GAO reports on native 8(a) contracting that were issued between 2006 and 2016. These reports examine SBA’s oversight of the 8(a) native contracting program and the lack of appropriate controls to deal with the complexities of the program. In particular, Mr. Bagdoyan de-

tailed four key weaknesses that undermine SBA's monitoring and oversight efforts. These include: (1) incomplete information and documentation on ANC-owned firms and their compliance with regulatory requirements; (2) limitations in its ability to track and share key program data needed to enforce its own program; (3) insufficient staffing in its Alaska District Office to carry out necessary and critical monitoring tasks; and (4) inadequate or vague program guidance for clearly communicating to staff how to interpret new regulations. Moreover, Mr. Bagdoyan explained that, while many of the recommendations issued on those reports were now closed based on SBA's intent to address them, additional audit work would be needed to understand the extent to which those recommendations have been implemented and the potential impact they have had.

In the second panel, the witnesses—in representation of Indian tribes, Alaska Native Corporations, Native Hawaiian Organizations and stakeholders—provided an overview of the program and explained the benefits it provides to entire communities, which range from actual dividends to advancing principles of self-sufficiency and self-determination. Moreover, they explained key differences between how the program works for them (as group-owned entities) versus how it applies to individually owned firms. Finally, the members of the panel presented multiple suggestions on how to improve the program, including excepting 8(a) companies from category management and tailoring SBA's certification system to make it compatible with the documentation required from native 8(a) entities.

CREATING THE CLEAN ENERGY WORKFORCE

On Tuesday, October 29, 2019, the Subcommittee on Innovation and Workforce Development met in Room 2360 of Rayburn House Office Building for a hearing titled: "Creating the Clean Energy Workforce." This hearing provided members of the Subcommittee the opportunity to discuss the workforce challenges faced by clean and renewable energy companies facing a rapid transition of U.S. energy sources and rapidly increasing consumer demand. Members heard from industry leaders, labor unions, and training facility managers about how to create the workforce necessary to transition our nation rapidly from fossil fuels to renewable energy.

Witnesses included Mr. Mark Farrar Jackson, Vice President, Community Housing Partners dba CHP Energy Solutions, Christiansburg, VA; Mr. Jason L. Wardrip, Business Manager, Colorado Building and Construction Trades Council, Aurora, CO; Mr. Neil James, Vice President of Operations and Maintenance, Apex Clean Energy, Charlottesville, VA; Mr. Ed Gilliland, Senior Director, The Solar Foundation, Washington, D.C.

Mr. Jackson manages a 12,000 sq ft. training facility in Virginia that trains energy efficiency workers. He testified about the helpful grant money that was given to low income households to make their homes more energy efficient. Mr. Wardrip trains construction workers for his local union and he testified to providing a just transition for coal workers by retraining them using union apprenticeship programs. Neil James testified about the problems that larger renewable energy companies face attracting and retaining workers

and laid out some of the ways they are investing in their future workforce. Ed Gilliland, the author of the solar jobs census published by The Solar Foundation, testified about the broader economic trends related to renewable energy as well as workforce statistics.

FOSTERING THE AMERICAN DREAM: HOW SBA CAN EMPOWER
IMMIGRANT SMALL BUSINESS OWNERS

On Friday, November 8, 2019, the Subcommittee on Investigations, Oversight, and Regulations met at Rosemead City Hall in Rosemead, California for a field hearing titled: “Fostering the American Dream: How SBA Can Empower Immigrant Small Business Owners.” Members had the opportunity to learn why immigrants are more likely to start new businesses but less likely to have access to traditional sources of capital and Small Business Administration (SBA) programs that can help immigrant business owners succeed.

The witnesses for the hearing were: Ms. Rachelle Arizmendi, Vice-President and Chief Operations Officer, Pacific Asian Consortium in Employment (PACE), Los Angeles, CA; Mr. Donald J. Loewel, MBA, Director, Small Business Development Center, Pasadena City College, Pasadena, CA; Ms. Tatiana Bonilla, President, Andrew Design Group, Inc., Pasadena, CA; and Mr. Amir Salahi, Founder and CEO, Energy Advisor Hub, Pasadena, CA.

The witnesses testified that increasing awareness of SBA’s programs is the number one opportunity to make a greater impact on small business success. In addition, witnesses also testified that additional support for multilingual SBA advisors would greatly benefit the ability to interact with small business owners whose primary language is not English. Lastly, witnesses testified that leveraging community-based organizations and Community Development Financial Institutions (CDFIs) that have built trust within their communities is imperative to the continued success of SBA’s Community Advantage and Microloan programs.

ASSESSING THE GOVERNMENT’S ROLE IN SERVING RURAL AMERICAN
SMALL BUSINESSES (PART ONE)

On Thursday, November 14, 2019, the Subcommittee on Rural Affairs, Agriculture, Trade, and Entrepreneurship in Room 2360 of the Rayburn House Office Building held a hearing titled: “Assessing the Government’s Role in Serving Rural American Small Businesses (Part One).”

The witnesses for the hearing were Ms. Bette Brand, Administrator, United States Department of Agriculture, Rural Business-Cooperative Service; and Ms. Michelle Christian, Director of Rural Affairs, Small Business Administration.

At the hearing the witnesses testified about the wide variety of federal programs at USDA and SBA that support rural small businesses. Administrator Brand discussed several programs and outlined how USDA partners with rural businesses and service providers to support financial assistance and business development in rural areas. Administrator Brand also mentioned the importance of cooperative businesses that provide a wide variety of important services in rural communities. Ms. Christian outlined her role in

coordinating with SBA district offices and other federal agencies to assist rural communities and entrepreneurs with access to small business resources. Both witnesses also discussed the Memorandum of Understanding that has signed in 2018 with the goals of strengthening rural businesses and agricultural economies through increased coordination between USDA and SBA.

SMART CONSTRUCTION: INCREASING OPPORTUNITIES FOR SMALL BUSINESSES IN INFRASTRUCTURE

On Tuesday, November 19, 2019, the Subcommittee on Contracting and Infrastructure met for a hearing titled: “Smart Construction: Increasing Opportunities for Small Businesses in Infrastructure.” The hearing allowed Members of the Committee to explore new developments in smart construction technology and opportunities for small businesses to play a major role in improving America’s infrastructure.

Witnesses included, Mr. Lennart Anderssen, RA, Director of Virtual Design, Construction & Operations (VDCO)/Professor, LiRo Group/Pratt Institute, Irvington, NY; Mr. Ryan Forrestel, President, Cold Springs Construction, Akron, NY; Mr. Chris Shepard, Vice President, Construction Solutions Group, Trimble, Inc., Dayton, OH; and Mr. Phillip Ogilby, CEO and Co- Founder, STACK Construction Technologies, Cincinnati, OH.

Mr. Anderssen testified that all phases of construction are poised to change and evolve in the coming years, incorporating traditional tools of the trade and new technologies that could transform the way projects are completed. Mr. Forrestel testified that due to competitive contracting environment, precision technologies allow his business to remain competitive against bigger contractors. Mr. Shepard stated that the construction industry is ripe for innovation. Mr. Shepard went on to testify that technology is transforming construct roads, bridges, and airports through the optimization of the entire construction lifecycle: planning, design, construction and operation. His company’s experience in the construction industry has taught him that ineffective communication, planning and collaboration are causing the most problems and driving project costs. As a result, he mentioned that digital construction technologies are so important for small businesses because it enables small businesses to better manage their costs, schedules and resources.

INNOVATIONS IN THE SCHOOL TO SMALL BUSINESS PIPELINE

On Friday, November 22, 2019, the Subcommittee on Innovation and Workforce Development met at the Cherry Creek Innovation Campus in Aurora Colorado for a field hearing titled: “Innovations in the School to Small Business Pipeline.” This hearing gave members the opportunity to learn about the innovative approaches that local schools in Colorado are taking to combat the labor shortage in a number of in-demand skill areas. By partnering with the private sector, Cherry Creek constructed a brand-new facility that offers a total of 7 career pathways that are meant to train high school students to be work-ready upon graduation.

Witnesses included Ms. Sarah LC Grobbel, Assistant Superintendent, Career & Innovation, Cherry Creek Schools, Aurora, CO;

Mr. Noel Ginsburg, Founder & CEO, CareerWise Colorado, Denver, CO; Mr. Matthew Kaplan, Vice President, Business Development and Membership, Outdoor Industry Association, Boulder, CO; Testifying on behalf of Outdoor Industry Association. Mr. Garry Edmonson, Program Administrator, Colorado Journeyman & Apprentice Program IUOE Local 9, Aurora, CO.

Ms. Grobbel testified about the progress made on the innovation campus on which the hearing was held and how important it is to train high school students for 21st century jobs. Mr. Ginsburg testified about the CareerWise Colorado statewide apprenticeship program for high school students that prepares them for a number of different paths, while providing classroom learning, on-the-job training and fair pay. Matthew Kaplan provided testimony to about ways the outdoor industry is training the next generation of workers through internships and job training programs. Mr. Edmonson testified about the possibilities for workers trained through their local unions and how it can provide meaningful, in-demand skills that produce a quality job and dignified life.

REVIEW OF THE SBA'S 504/CDC LOAN PROGRAM

On Tuesday, December 10, 2019, the Subcommittee on Investigations, Oversight, & Regulations held a hearing titled: "Review of the SBA's 504/CDC Loan Program." The hearing enabled the Committee to learn about the 504/CDC loan program as one that is designed to enhance access to capital for small businesses seeking financing for major fixed assets such as land, buildings, equipment, and machinery. Members also learned about the nonprofit Certified Development Companies (CDCs) who deliver the 504 loan product (and in some cases, other SBA loan products), and the role they play in creating jobs in their local communities. The hearing explored the current administrative challenges facing the program and its industry participants.

Witnesses on the panel were: Ms. Mary Mansfield, President & CEO, Bay Colony Development Corp., Waltham, MA; Mr. Wayne Williams, Senior Vice President, Business Finance Group Inc., Fairfax, VA; Ms. Elaine Fairman, Executive Director, Business Expansion Funding Corp., Charlotte, NC; and Ms. Brooke Mirenda, President & CEO, Sunshine State Economic Development Corp., Clearwater, FL.

Ms. Mansfield testified regarding the complex and lengthy closing process for 504 loans, arguing that CDCs who have demonstrated reliability and quality when working with borrowers should be able to make certain *de minimis* changes to closing documents with their own authority. She also testified that numerous SBA district offices routinely require different documents for closing a 504 loan, which can complicate and further lengthen the closing process. Mr. Williams testified regarding the challenges posed by current owner occupancy requirements, which limit the ability of small businesses to use the 504 program to finance the purchase of multi-story buildings. Ms. Fairman testified regarding the rules governing Eligible Passive Company/Operating Company (EPC/OC) procedures and transactions, arguing that they have not been updated to reflect current common business practices. Ms. Mirenda testified regarding the 504 loan refinance program, and the chal-

lenges some borrowers of government loan products face in being unable to refinance that other government loan with a 504 loan. Ms. Mirenda argued that other non-504 government loans should be eligible for refinancing with a 504 loan.

SECOND SESSION OF THE 116TH CONGRESS

FARMING IN THE 21ST CENTURY: THE IMPACTS OF AGRICULTURE TECHNOLOGY IN RURAL AMERICA

On Thursday, January 9, 2020, the Subcommittee on Innovation and Workforce Development held a hearing titled: “Farming in the 21st Century: The Impacts of Agriculture Technology in Rural America.” This hearing gave Members the opportunity to hear from experts in the agricultural technology (ag tech) industry, farmers that are leveraging technology to be more sustainable and profitable, and startups in the ag tech field.

The witnesses were: Mr. Kevin France, President and CEO, SWIIM Systems, Denver, Colorado; Dr. David Potere, Head of GeoInnovation, Indigo Agriculture, Boston, Massachusetts; Mr. Roberto Meza, Co-founder and Farmer, Emerald Gardens, Bennett, Colorado who was testifying on behalf of the Rocky Mountain Farmers Union; and Dr. Douglas Jackson-Smith, Assistant Director, School of Environmental Resources, The Ohio State University, Wooster, Ohio.

Witnesses outlined the many agriculture advancements that ag tech has brought to our food systems and discussed the importance of rural broadband access. Mr. France outlined the importance of research and development to support small businesses in ag and ag tech sectors, and his small business has received support of both USDA and land grant universities. Dr. Potere outlined the numerous small businesses that are vital to our agricultural supply chains, and how technology and innovation has helped advance food and agricultural systems. Dr. Potere also highlighted the importance of ag tech to help agriculture be more economically viable and resource efficient, including addressing carbon sequestration and climate change. As a farmer, Mr. Meza has first-hand experience integrating ag-tech into his operation and outlined both the environmental benefits of ag tech as well as some of the challenges and barriers that farmers can face in bringing on new and sometimes expensive technology into their operations. Dr. Jackson-Smith discussed the structural challenges that small businesses face, and the benefits that innovation and technological advancements have brought to diversified agricultural systems.

TAKING CARE OF BUSINESS: HOW CHILDCARE IS IMPORTANT FOR REGIONAL ECONOMIES

On Thursday, February 6, 2020, the Subcommittee on Rural Development, Agriculture, Trade, and Entrepreneurship held hearing titled: “Taking Care of Business: How Childcare is Important for Regional Economies.” The hearing gave members the opportunity to hear from experts about the economic impacts of childcare accessibility on small firms, their employees with a particular focus on the impact in rural economies.

Witnesses included: Ms. Cindy Cisneros, Vice President for Education Programs at the Committee for Economic Development of the Conference Board (CED), Arlington, Virginia; Mr. Dan Levi, President of Levi Architecture, PLC., Cedar Falls, Iowa who testified on behalf of the Black Hawk Child Care Coalition; Ms. Sarah Piepenburg, Owner of Vinaigrette, Minneapolis, Minnesota who testified on behalf of Main Street Alliance; and Dr. Veronique de Rugy, Senior Research Fellow at the Mercatus Center, George Mason University, Arlington, Virginia.

Witnesses all discussed how childcare is a necessity for American families, communities, and small businesses. They outlined how lack of affordable childcare impacts labor force participation, but also inhibits regional and local economic growth. Ms. Cisneros provided a detailed analysis of the economics of childcare, discussing how the industry has robust direct and indirect economic impacts. She presented information on the clear connection between access to affordable, reliable child-care and increased labor force participation and economic growth in regional economies. Mr. Levi provided a first-hand account of the challenges small business owners face when confronted with lack of childcare opportunities in their communities, and the steps that communities are trying to take to establish adequate childcare. Ms. Piepenburg discussed the economics of childcare from her prospective as a mother and small business owner. She discussed the challenges that her and her employees had in paying for childcare, and the sacrifices they had to make in order to ensure adequate care for their children. Dr. de Rugy discussed the licensing requirements of childcare, and the regulations and other factors that have impacted costs of childcare.

THE INNOVATION PIPELINE: FROM UNIVERSITIES TO SMALL BUSINESSES

On Tuesday, February 11, 2020, the Subcommittee on Innovation and Workforce Development met for a hearing titled: “The Innovation Pipeline: From Universities to Small Businesses.” During the hearing, Members heard from technology transfer experts about the importance of federally funded research for application in the private sector and the link between the federal government, U.S. educational institutions, and the development of businesses and job creation.

The panelists were: Dr. John Younger, MD, Vice President of Science & Technology, University City Science Center, Philadelphia, PA; Dr. Sheila Martin, PhD, Vice President, Economic Development and Community Engagement, Association of Public and Land-grant Universities, Washington, DC.; Dr. Ethan Mann, PhD, Vice President of Marketing and Business Development, Sharklet Technologies, Inc., Aurora, CO; and Dr. Gregory P. Crawford, PhD, President, Miami University, Oxford OH.

Dr. Younger testified about the challenges small firms face when commercializing new technology created in University labs, particularly in pharmaceuticals technology. He emphasized some of the bottlenecks in the SBIR and STTR programs and recommended streamlining guidance. Dr. Martin testified about the importance of the public and land grant university system in creating technology and entrepreneurial talent that allows local economies to grow. Dr.

Mann testified about his own experience, bringing sharklet technology, a medical device company that uses biomimicry for its products, from university labs to the market. Dr. Crawford echoed the sentiments of Dr. Martin, but expanded upon the accomplishments of his own school, Miami University, in prioritizing entrepreneurship and technology transfer.

MOVING AMERICA'S INFRASTRUCTURE FORWARD

On Thursday, February 27, 2020, the Subcommittee on Contracting and Infrastructure held a hearing titled: "Moving America's Infrastructure Forward." The hearing focused on how to make small business a priority as Congress explores ways to improve the nation's infrastructure networks. The hearing provided an opportunity for members to hear from a variety of witnesses regarding the importance of updating our nation's infrastructure, while discussing the opportunities and challenges that exist for small businesses.

The witnesses for the hearing were: Ms. Lynn Frazier, Director and Senior Transportation Engineer for James W. Sewall Company; Ms. Lisa Jacobson, President of the Business Council for Sustainable Energy; Mr. Mike Saperstein, Vice President of Strategic Initiatives and Partnerships for USTelecom—The Broadband Association; and Mr. Todd Rothe, President of J.R. Jensen Construction Company.

The witnesses testified how the nation's infrastructure has not kept up with our economy, our communities, and how further investments in infrastructure are needed. Ms. Lynn Frazier provided information about the American Society of Civil Engineers' estimate that America's infrastructure would need an additional investment of \$4.6 trillion in order repair the nation's broken infrastructure system. Additionally, the witnesses emphasized how the House Transportation and Infrastructure Committee's Moving Forward Framework will help local economies, small businesses, and our nation as a whole. Ms. Lisa Jacobsen testified that improvements in infrastructure would improve the nation's economic competitiveness and how infrastructure investment has the potential to create tens of thousands of jobs. Finally, Mr. Saperstein testified that an investment in infrastructure—particularly in an investment in rural broadband—would greatly benefit America's small businesses.

SOUTH DAKOTA V. WAYFAIR, INC.: ONLINE SALES TAXES AND THEIR IMPACT ON MAIN STREET

On Tuesday, March 3, 2020, the Subcommittee on Economic Growth, Tax, and Capital Access held a hearing titled: "South Dakota v. Wayfair, Inc.: Online Sales Taxes and their Impact on Main Street." The hearing focused on the impact to small businesses as a result of the U.S. Supreme Court's decision in *South Dakota v. Wayfair*. In *Wayfair*, the Court overturned a previous ruling where it determined that states could only collect sales tax from businesses that had brick and mortar locations in those states.

The witnesses for the hearing were: Mr. Jamie Yesnowitz, Principal at Grant Thornton, LLP; Mrs. Linda Lester, Vice President of K Log, Inc.; Mr. Kevin Mahoney, President and Founder of

FindTape.com; and Mr. Brad Scott, Financial Director of Halstead Bead, Inc.

Mr. Jamie Yesnowitz testified that the *Wayfair* decision has resulted in a web of inconsistent, complicated, and burdensome state and local sales and income tax requirements across the country—especially for the nation’s smallest businesses. Mrs. Linda Lester testified that following the *Wayfair* decision her company went from filing a return in just one state (Illinois) to filing in 42 states, at a cost of approximately \$78,722. Mr. Scott testified that he has spent \$27,900 to implement software to meet his requirement to file with 51 separate states and territories.

Additionally, the witnesses testified about the unintended consequences of the *Wayfair* decision. Mr. Mahoney testified that his two-person company that sold tape on Amazon was audited by the state of Washington because his product was trans-shipped through the state. Mr. Scott testified that the state of Wyoming threatened a lien on his property for a tax assessment of \$100 for December 2018, for a failure to file a \$0.00 return.

AN OVERVIEW OF THE DYNAMIC BETWEEN THE DEFENSE PRODUCTION ACT AND SMALL CONTRACTORS

On Wednesday, June 24, 2020, the Subcommittee on Contracting and Infrastructure held a remote hearing titled: “An Overview of the Dynamic Between the Defense Production Act and Small Contractors.” The hearing provided an overview of the Defense Production Act (DPA) and its authorities, including those that relate to small businesses. It also examined how those authorities could be leveraged to assist small firms affected by the COVID-19 pandemic and what legislative actions could be taken to strengthen the DPA on behalf of our small business industrial base.

The witnesses for the hearing were: Mr. Ian Patterson, Senior Associate, Koprince Law, Lawrence, KS; Mr. David Black, Partner, Holland & Knight, Tysons, VA; Ms. Mary Lockhart, President & CEO, PEMDAS Technologies & Innovations, Alexandria, VA, testifying on behalf of the National Defense Industrial Association (NDIA) Small Business Division; and Ms. Traci Tapani, Co-President, Wyoming Machine, Inc., Stacy, MN.

Mr. Patterson expressed that, while the DPA confers preferential treatment to small businesses in all of its authorities, it does not provide any further instruction as to how small business participation should be accomplished. Thus, he emphasized on the need for data to evaluate the use of small businesses in the DPA. Similarly, Mr. Black expressed that DPA small business provisions were either not being followed or underutilized and agreed on the need for data collection. Moreover, he provided multiple recommendations to ensure these provisions work cohesively, such as: establishing procedures to apply the Title III small business preference, establishing a small business advisory subcommittee that includes small business concerns, and requiring information on how agencies are making information about DPA activities available to small businesses, as required in statute. Finally, Ms. Lockhart stressed the importance of maximizing small business participation in DPA Title III authorities, while Ms. Tapani focused on small businesses

willingness and ability to mobilize to address the needs of the COVID-19 pandemic.

SUPPLY CHAIN RESILIENCY

On Thursday, July 2, 2020, the Subcommittee on Economic Growth, Tax, and Capital Access met for a hybrid hearing titled: “Supply Chain Resiliency.” During the hearing, Members heard from economists, supply chain experts, and small business owners about the effects of the COVID-19 pandemic on world supply chains and particularly how it hurt small firms, and explored ways we can strengthen our supply chains as we rebuild to prepare for the next disaster.

The panelists were: Dr. Eswar Prasad, Ph.D., Professor of Trade Policy, Cornell University, Senior Fellow, Brookings Institution, Ithaca, NY; Ms. Christine Fagnani, Co-Owner and Vice President of Lynn Medical Instrumentation Company, Wixom, MI; Mr. David Billstrom, CEO, Kitsbow Cycling Apparel, Old Fort, NC; Ms. Sheila Lawson, Chief Operations Officer and Vice President of Supply Chain, RL Hudson, Broken Arrow, OK.

Dr. Prasad testified about the different effects of certain steps taken by firms and governments to strengthen supply chains, and clearly laid out the upsides and downsides of taking these steps. For instance, emphasizing that making supply chains less linear and specialized would avoid disruption if there is a disaster, but would also cut down on the efficiency of those supply chains, therefore causing hire prices and longer wait times. Ms. Fagnani explained the early effects of the COVID-19 pandemic on the medical supply chains, and the steps her company took to ameliorate the problems caused by global supply chain disruptions by sourcing PPE from small firms in the U.S. Mr. Billstrom testified about the steps his company took prior to the pandemic to become more resilient, and how those steps allowed him to quickly shift operations to manufacture PPE early in March, and almost double his staff by the middle of June. Ms. Lawson explained the problems in the heavy machinery and rubber supply chains, how the pandemic affected her company, and the steps they took to get back on track.

PUTTING AMERICA BACK TO WORK: THE ROLE OF WORKFORCE DEVELOPMENT AND SMALL BUSINESS REHIRING

On Thursday, July 16, 2020, the Committee Subcommittee on Innovation and Workforce Development held a remote hearing titled: “Putting America Back to Work: The Role of Workforce Development and Small Business Rehiring.” During the hearing, members heard from workforce development policy experts, workforce board chairs, a community college president, and a small business owner about ways we can retrain many unemployed workers in the U.S. right now to get the economy back on track and speed up hiring during the recovery.

The panelists were: Dr. Demetra Smith Nightingale, Institute Fellow, Urban Institute, Washington D.C.; Ms. Kelly Folks, Workforce Director, Arapahoe/Douglas Workforce Center, Centennial, CO; Dr. Joe Schaffer, President, Laramie County Community College, Cheyenne, WY; and Ms. Kelly Moore, Vice President, GKM Auto Parts, Inc., Zanesville, OH.

As a former DOL employee during the Obama Administration, Dr. Nightingale testified about the lessons they learned during the last recovery, particularly the importance of avoiding long-term unemployment for those that lose their job during the pandemic. Ms. Folks testified about the needs of local workforce boards, who are not only overwhelmed handling UI, but also inundated with newly unemployed workers who need retraining to find another job. Dr. Schaffer testified about the importance of community colleges not only for training workers, but for creating a new generation of workers that will revitalize places in rural America and help grow the economies of small towns that have suffered as their children move to cities. Ms. Moore testified about the struggle of hiring qualified employees, even when the pool of people looking for jobs is large, and the resources they must dedicate to train new ones.

21ST CENTURY SBA: AN ANALYSIS OF SBA'S TECHNOLOGY SYSTEMS

On Wednesday, July 22, 2020, the Subcommittee on Investigations, Oversight, and Regulations held a hybrid hearing titled: "21st Century SBA: An Analysis of SBA's Technology Systems." The purpose of the hearing was to review the SBA's modernization efforts of its IT infrastructure and technology systems and how these systems performed during the coronavirus pandemic. The hearing allowed members to examine the SBA's IT organizational structure and its response to the technological issues that borrowers and lenders faced when applying for the economic relief programs.

The sole witness for the hearing was Mr. Guy Cavallo, the Chief Information Officer of the Small Business Administration.

Mr. Cavallo testified that over the past three years the SBA has focused on building the foundation to deliver IT modernization across the organization. He said that they upgraded the network infrastructure connecting all SBA offices and began the transition to the cloud, however, he testified that data is still siloed between offices. Mr. Cavallo testified that the SBA plans to replace its legacy loan processing system, E-Tran, but that it could take several years. He also shared that SBA launched six new cloud-based system to support the high demand during the coronavirus pandemic and shed light on the data "exposure" incident. He testified that the exposure (he stated that it was not a data breach) occurred due to a system glitch that was quickly corrected.

KICK STARTING ENTREPRENEURSHIP AND MAIN STREET ECONOMIC RECOVERY

On Thursday, September 10, 2020, the Subcommittee on Rural Development, Agriculture, Trade, and Entrepreneurship met for a remote hearing entitled "Kick Starting Entrepreneurship and Main Street Economic Recovery." The hearing focused on why the COVID-19 pandemic has presented unique challenges for rural economies. It also focused on what worked and did not work to encourage rural development and entrepreneurship during and after the Great Recession and how these lessons can be applied to the current COVID-19 crisis.

The witnesses for the hearing were: Mr. Chad Nath, Executive Director LINK Grinnell; Mr. Jeremy Ketelsen, Vice President

Ketelsen RV; Mr. Mark Rembert, Head of the Rural Innovation Network at the Center on Rural Innovation; and Mr. Jason Duff Founder Small Nation.

The witnesses testified about the challenges each of their businesses have faced during the COVID-19 pandemic. Specifically, Mr. Nath testified how LINK adapted to the COVID-19 pandemic by pivoting from an aftercare program to a program that provided care for essential worker's children. While Mr. Ketelsen discussed how inventory shortages faced by his business has made staying open and staying profitable difficult. Mr. Rembert testified that the economic realities in rural America that were exposed during the Great Recession, has intensified during the COVID-19 pandemic. Specifically, he discussed how lack of rural broadband has held rural communities back from gains in economic development and entrepreneurship.

SBA MANAGEMENT REVIEW: OFFICE OF GOVERNMENT CONTRACTING
AND BUSINESS DEVELOPMENT

On Tuesday, September 15, 2020, the Subcommittee on Contracting and Infrastructure held a hybrid hearing titled: "SBA Management Review: Office of Government Contracting and Business Development." The focus of the hearing was the operations of SBA's Office of Government Contracting and Business Development (GCBD), which assists small businesses that participate in the federal procurement space by administering SBA's business development and contracting programs.

The sole witness for this hearing was Dr. Francis Spampinato, Associate Administrator of the Office of Government Contracting and Business Development, U.S. Small Business Administration, Washington, D.C.

Dr. Spampinato highlighted that \$132 billion was awarded to small businesses in fiscal year 2019. Despite this success, Dr. Spampinato explained that COVID-19 has resulted in significant challenges to small businesses, and that is why the Office has implemented measures such as posting guidance for small business contractors, introducing flexibilities in 8(a) and HUBZone program participation and conducting a robust outreach to small businesses to connect them with Federal agencies in need of products and services to combat COVID-19. Moreover, Dr. Spampinato acknowledged the decreasing number of firms that are involved in federal contracting and receiving prime contract awards, which has prompted engagements with Federal agencies, small business leaders and senior acquisition officers to understand why this is happening and how to address the situation. He also stressed on the importance of conducting research and obtaining data to understand the impacts of Category Management and the Cybersecurity Maturity Model Certification initiative (CMMC) on the small business base, as well as what can be done in the area of subcontracting to address this issue.

To questions from Committee Members, Dr. Spampinato recognized that the HUBZone prime contracting goal was not met in fiscal year 2019. However, he affirmed there has been an increase in HUBZone awards in the past years and that SBA has a HUBZone plan underway—composed in part by statutory changes to the pro-

gram and targeted outreach—to meet and surpass the HUBZone prime contracting goal. Moreover, he expressed his commitment to getting a new IT system in place to serve the contracting programs and his interest in providing an additional focus on subcontracting to meet the small business set-aside subcontracting goals.

PAYCHECK PROTECTION PROGRAM: AN EXAMINATION OF LOAN FORGIVENESS, SBA LEGACY SYSTEMS, AND INACCURATE DATA

On Thursday, September 24, 2020, the Subcommittee on Innovation and Workforce Development held a hybrid hearing titled: “Paycheck Protection Program: An Examination of Loan Forgiveness, SBA Legacy Systems, and Inaccurate Data.” The purpose of the hearing was to review the Paycheck Protection Program from a technical perspective. SBA’s legacy technology systems were not fully equipped to handle the unprecedented level of applicants, resulting in a number of technical issues with the implementation. The hearing allowed members the opportunity to address these issues and the related concerns about the accuracy of the recently released PPP data, as well as learn more about SBA’s new system for PPP forgiveness.

The witness for the hearing was Mr. William Manger, the Chief of Staff of the SBA and the Associate Administrator of the Office of Capitol Access at the Small Business Administration.

Mr. Manger testified that OCA has issued public guidance and continues to refine processes and requirements for loan forgiveness, loan reviews, guaranty purchases, and related activities under Section 1106 of the CARES Act. He also testified that the SBA has not approved any forgiveness applications as of September 24, 2020. In terms of data accuracy, Mr. Manger stated that PPP loan data reflects the information submitted by lenders to the SBA for PPP loans and that between the data releases, SBA made significant efforts and worked with lenders to improve the accuracy of the loan-level data, including the improvement of congressional district loan data.

A REVIEW OF PPP FORGIVENESS

On Friday, September 25, 2020, the Subcommittee on Economic Growth, Tax, & Capital Access met for a hybrid hearing titled: “A Review of PPP Forgiveness.” During the hearing, Committee Members learned about the current state of PPP forgiveness from borrowers’ and lenders’ perspectives. Members heard primarily from PPP borrowers who reported serious concerns with the length and complexity of the PPP forgiveness applications, especially the documents required to be able to properly and accurately report all the requested information. Members also heard from a 7(a) lender who reported concerns of lenders, specifically the lack of clarity with regard to the lender’s role in the forgiveness process.

The witnesses were: Ms. Lynn Ozer, President of SBA Lending, Fulton Bank, Pottstown, PA; Ms. Amy Bonfig, Owner, Little Saints Academy, St. Joseph, MN; Mr. Jim Parker, CEO & Director, River-view Studios, Bordentown, NJ; and Mr. Pete Patel, President & CEO, Promise Hotels, Tulsa, OK.

Ms. Ozer testified on concerns shared by PPP lenders across the country, including a lack of clarity from SBA/Treasury on the lend-

er's role in the PPP forgiveness process. According to Ms. Ozer, the lending community never envisioned being responsible for verifying the accuracy of borrowers' forgiveness applications and their accompanying documentation. Ms. Bonfig testified from the perspective of a PPP borrower who had completed the lengthier PPP forgiveness application and reported the significant burdens associated with completing all parts of the application, especially the employee counts at various times during the 8-week vs. 24-week periods. Mr. Parker testified about his perspective on PPP forgiveness as a microbusiness and reported concerns that other rules were put in place following the enactment of the CARES act about spending PPP loan proceeds on fixed costs. Mr. Patel testified as a hotel owner regarding the unique challenges his travel-dependent business is facing in the midst of the COVID-19 pandemic. He urged Congress to expand access to the Main Street Lending Program for asset-based businesses such as hotels.

PREVENTING FRAUD AND ABUSE OF PPP AND EIDL: AN UPDATE WITH
THE SBA OFFICE OF INSPECTOR GENERAL AND THE GOVERNMENT
ACCOUNTABILITY OFFICE

On Thursday, October 1, 2020, the Subcommittee on Investigations, Oversight, and Regulations met for a hybrid hearing titled: "Preventing Fraud and Abuse of PPP and EIDL: An Update with the SBA Office of Inspector General and the Government Accountability Office." During the hearing, Committee Members heard from the Small Business Administration's (SBA) Inspector General (IG) and the Government Accountability Office (GAO) about their recent reports detailing fraud, and the potential for fraud, in the Paycheck Protection Program (PPP) and Economic Injury Disaster Loan (EIDL) program.

The witnesses were: Mr. Hannibal "Mike" Ware, Inspector General, Office of the Inspector General (OIG), SBA; and, Mr. William Shear, Director, Financial Markets and Community Investment, GAO.

Inspector General Ware testified about the OIG's July 28 Management Report, detailing instances of fraud found in the EIDL program and the potential for further fraud due to SBA's lack of internal controls. Mr. Shear testified about the GAO's August and September reports on the federal response to the COVID-19 pandemic. Mr. Shear focused on the SBA components of the pandemic response and supported the IG's findings that there is a high potential for fraud in the PPP and EIDL programs. In addition, Mr. Shear testified that SBA has not provided the necessary EIDL internal data and documents for GAO to complete their audit objectives.

PART C

WASTE, FRAUD, ABUSE AND MISMANAGEMENT

Of the hearings delineated above, the following were devoted specifically to an examination of programs within the Committee's jurisdiction with a focus on potential mismanagement, waste, fraud and abuse.

HEARINGS ON SBA MANAGEMENT AND BUDGET

The Committee continued its oversight of the management of SBA through hearings and meetings with agency officials and stakeholder groups.

During 2019 and early 2020, prior the COVID-19 pandemic, numerous SBA officials, industry representatives and small business owners were questioned about the operation of SBA programs:

- A Committee hearing on the federal government shutdown of 2018–2019 was conducted on February 6, 2019.
- A series of management review hearings with SBA Associate Administrators, officers, or directors was conducted on February 26, 2019, April 10, 2019, April 30, 2019, July 11, 2019, September 26, 2019, November 14, 2019, January 29, 2020, and February 5, 2020. The GAO testified about reports they issued at the hearings on April 30, 2019, and May 16, 2019. The SBA OIG testified about a report they issued at the hearings on July 11, 2019.
- Hearings on SBA's State Trade Expansion Program (STEP) were held on March 12, 2019 and June 11, 2019. The GAO and SBA OIG testified at the March 12, 2019 hearing on their respective reports on STEP.
- Hearings on SBA's Office of Rural Affairs were held on March 12, 2019 and November 14, 2019.
- A Committee hearing on SBA's disaster loan program was held on July 19, 2019.
- A Committee hearing on the SBA Office of Inspector General's Report on the "Most Serious Management Challenges Facing the Agency" was conducted on October 16, 2019.
- A Committee hearing on the SBIR and STTR programs was held on February 11, 2020.
- A Committee hearing with Administrator Jovita Carranza on the Agency's FY2021 budget justification was conducted on February 26, 2020.

Starting in May 2020, after COVID-19 became a national pandemic, the Committee held numerous virtual forums and hearings on SBA's implementation of emergency response legislation and programs, notably those that were created under the CARES Act.

- A Committee hearing on SBA's COVID-19 Economic Injury Disaster Loan (EIDL) and Advance programs was held on

July 1, 2020. The SBA Associate Administrator for the Office of Disaster Assistance (ODA) was the sole witness.

- A Committee hearing on the federal government's small business stimulus programs was conducted on July 20, 2020. SBA Administrator Jovita Carranza and Treasury Secretary Steve Mnuchin both testified.

- A Committee hearing on SBA's Information Technology Systems and COVID-19 programs was held on July 22, 2020. The SBA Chief Information Officer (CIO) was the sole witness.

- A Committee hearing on contracting was conducted on September 15, 2020. The Associate Administrator of Government Contracting and Business Development (GCBC) was the sole witness.

- A Committee hearing on the Paycheck Protection Program was conducted on September 24, 2020. The Associate Administrator of the Office of Capital Access (OCA) was the sole witness.

- A Committee hearing on PPP and EIDL was held on October 1, 2020. The GAO and OIG both testified on reports they issued and were the only witnesses.

HEARINGS ON SBA FINANCIAL ASSISTANCE PROGRAMS

In the 116th Congress, the Committee continued its focus on SBA's capital access programs. During 2019 and early 2020, prior to the COVID-19 pandemic, numerous SBA officials, industry representatives and small business owners were questioned regarding frequent concerns about the struggle for small businesses to access capital to fund their operations.

- Hearings were held on SBA's capital access programs on March 7, 2019, April 10, 2019, May 21, 2019, June 26, 2019, September 26, 2019, October 17, 2019, December 10, 2019, February 5, 2020, and February 12, 2020.

Beginning in May 2020, the Committee held numerous virtual forums and hearings on SBA's implementation of the Paycheck Protection Program and EIDL Advance program, created by the CARES Act, and the underlying EIDL program.

- Hearings were held on SBA's COVID-19 related capital access programs on June 10, 2020, June 17, 2020, July 15, 2020, September 24, 2020, September 25, 2020, and October 1, 2020.

- A virtual forum with the SBA OIG was held on May 15, 2020.

- Virtual forums were held on SBA's COVID-19 related capital access programs May 13, 2020, and May 20, 2020.

HEARINGS ON FEDERAL PROCUREMENT

During the 116th Congress, the Committee continued to examine federal procurement rules as they affect small businesses.

- Hearings were held on SBA's federal contracting programs on March 26, 2019, May 16, 2019, July 16, 2019, August 1, 2019, September 18, 2019, October 22, 2019, and Sept 15, 2020. The GAO testified about a report they issued at the hearing on October 22, 2019.

HEARINGS ON SBA ENTREPRENEURIAL DEVELOPMENT PROGRAMS

During the 116th Congress, the Committee continued to examine SBA's Entrepreneurial Development programs. During 2019 and early 2020, prior the COVID-19 pandemic, numerous SBA officials, industry representatives and small business owners were questioned regarding delivery of the entrepreneurial development programs.

- Hearings on SBA's entrepreneurial development program were held on February 27, 2019, April 30, 2019, June 20, 2019, July 10, 2019, July 11, 2019, and October 23, 2019.

Beginning in May 2020, the Committee held virtual forums on SBA's implementation of the changes and funding increases provided to the entrepreneurial development programs under the CARES Act.

- Virtual forums on SBA's COVID-19 related entrepreneurial development programs were held on May 7, 2020, and May 28, 2020.

PART D

IMPLEMENTATION OF THE OVERSIGHT PLAN OF THE COMMITTEE ON SMALL BUSINESS FOR THE ONE HUNDRED AND SIXTEENTH CON- GRESS

Subpart 1—Oversight of Federal Capital Access Programs

GENERAL ACCESS TO CAPITAL PROGRAMS

7(a) Program

SBA's Congressional Budget Justification for FY2020 predicted that SBA would not achieve a zero-subsidy rate for the 7(a) program, meaning the 7(a) program would not generate sufficient revenue through fee collections and/or recoveries of collateral on defaulted loans, and would require either an appropriation of \$99 million from Congress in order to operate, or fee increases. It should be noted the program has operated at zero subsidy since FY 2014. To address the potential shortfall, SBA opted to propose numerous fee increases on 7(a) borrowers and lenders.

Many 7(a) program stakeholders raised concerns regarding the changes made to the econometric models SBA uses in conjunction with Office of Management and Budget (OMB) to generate these subsidy projections. On April 10, 2019, the Committee held a hearing to assess these concerns, as well as the impact 7(a) fee increases would have on access to capital for small businesses. On May 6, 2019, Chairwoman Nydia M. Velázquez, Ranking Member Steve Chabot, Subcommittee on Economic Growth, Tax, and Capital Access Subcommittee Chairman Andy Kim, and Ranking Member Kevin Hern sent a letter to the Government Accountability Office (GAO) to request an evaluation of SBA's FY2020 budget submission for the 7(a) program, including SBA's budget estimation modeling. On September 30, 2020, GAO published its findings that SBA generally incorporated cost estimation practices previously identified that can help agencies make reasonable, reliable estimates, and that the increase in the estimate was largely due to SBA's use of updated assumptions and calculation methods.

504/Certified Development Company Program

On December 10, 2019, the Subcommittee on Investigations, Oversight, and Regulations held a hearing to review SBA's 504/Certified Development Company (CDC) program. During the hearing, Subcommittee Members heard from a panel of CDCs regarding the current status of the program, as well as changes recommended to improve its reach and operation of the program. For example, CDCs on the panel testified that changes to occupancy requirements in the program would make it easier for 504 loans to finance the purchase of multi-story buildings. CDCs also testified regarding

the benefit to borrowers and lenders of streamlining the 504 loan closing process. On September 16, 2020, the Committee marked-up two bills to improve the 504 program, both of which were reported unanimously to the House.

Community Advantage Program

On May 21, 2019, the Subcommittee on Investigations, Oversight, and Regulations held a hearing to review SBA's Community Advantage loan program. During the hearing, Subcommittee Members heard from a panel of Community Advantage lenders and borrowers about their experiences with the program. Specifically, the lenders on the panel urged Members to codify the program to provide long-term stability to the program. On March September 16, 2020, the Committee marked-up a bill to authorize the Community Advantage program under the Small Business Act for five years. On September 16, 2020, the bill was unanimously reported to the House.

Microloan Program

On March 7, 2019, the Subcommittee on Economic Growth, Tax, and Capital Access held a hearing to review SBA's Microloan program. During the hearing, Subcommittee Members heard from Microlenders, Microloan borrowers, and program stakeholders regarding current program operations and recommendations to improve the program's performance and reach. For example, Microlenders on the panel testified that eliminating the program's "1/55 rule" (which places an arbitrary cap on the distribution of loan funds to Intermediaries for the first half of the year to the lesser of \$800,000 or one-fifty-fifth of newly appropriated funds) would allow SBA to more efficiently get loan funds to Intermediaries when needed. Microlenders also testified about the importance of technical assistance and encouraged Congress to strengthen that component of the program. On March 11, 2020, the Committee marked up two bills to improve the Microloan program, both of which were reported unanimously to the House, and approved on September 14, 2020.

SBIC Program

In the 116th Congress, oversight of the Capital Access programs was a top priority. With regard to the Small Business Investment Company (SBIC) program, the Committee held a SBIC management review hearing on September 26, 2019. The Associate Administrator (AA) for the Office of Investment and Innovation (OII), Joseph Shepard testified on the first panel, providing Committee Members with an update of program performance under his leadership. The second panel was comprised of SBIC industry participants, stakeholders, and policy experts who testified on the performance of the program, including the impact the programmatic delays had on investors' ability to assist small businesses. Witnesses raised concerns over delays in SBIC fund licensing for new and existing SBIC funds, as well as delays in conducting periodic examinations. On October 10, 2019, Chairwoman Nydia M. Velázquez and Ranking Member Steve Chabot sent a letter to Mr. Shepard outlining concerns from the September 26th hearing, spe-

cifically with regard to SBA's staffing for SBIC fund licensing and generally within OII. On October 18, 2019, the Chairwoman and Ranking Member received a response from SBA to the October 10th letter. SBA's response addressed many of the questions raised regarding SBIC fund licensing and staffing levels at OII.

PANDEMIC-SPECIFIC ACCESS TO CAPITAL PROGRAMS

Paycheck Protection Program

In response to the COVID-19 pandemic, Congress created the SBA Paycheck Protection Program (PPP), which has been implemented with the assistance of the Department of Treasury. The program is designed to help small employers access critical financial assistance quickly. The Committee held numerous oversight hearings on the PPP to assess the effectiveness of the program and evaluate ways to improve the program's reach and performance, particularly to women, minorities, and underserved communities. This included a hearing held on July 17, 2020 with Treasury Secretary Steven Mnuchin and SBA Administrator Jovita Carranza regarding agency challenges with the program. Specifically, Secretary Mnuchin committed to setting aside some PPP funds for underserved small businesses.

The Committee also held a hearing on June 17, 2020 with PPP participants and stakeholders to assess the effectiveness of the program, as well as where ongoing improvements are needed. Furthermore, the Committee held a hearing on September 25, 2020 specifically on PPP loan forgiveness and the challenges borrowers and lenders faced in applying for forgiveness. Specifically, Committee Members heard about the need lenders and borrowers have for a streamlined PPP loan forgiveness process, particularly for the smallest of small businesses.

The Subcommittee on Innovation and Workforce Development also held a hearing on September 24, 2020 with SBA's Chief of Staff and Associate Administrator for the Office of Capital Access, William Manger, regarding the technology systems SBA uses to operate its various business loan programs. Subcommittee Members heard about the issues SBA faced in rapidly processing PPP loans and the steps SBA is taking to increase memory capacity and system resiliency as the loan forgiveness process begins. The Committee has also maintained a steadfast effort to improve PPP transparency and specifically, public reporting of loan level data. This includes regular correspondence with SBA and government watchdog agencies.

Economic Injury Disaster Loan Program

Responding to the COVID-19 pandemic, Congress also enacted numerous changes to SBA's Economic Injury Disaster Loan (EIDL) program to improve its ability to respond to the COVID-19 pandemic. The improvements included additional funding to meet demand for EIDLs, a waiver of the credit elsewhere requirement, and the creation of an EIDL Advance grant program, which provided advance payments of up to \$10,000 that would not need to be repaid, even if borrowers were later denied disaster loans. The Committee held multiple oversight hearings on the EIDL program to

evaluate its effectiveness and hear from program participants regarding their experiences with the program. This included a hearing on June 10, 2020 with EIDL borrowers and Advance recipients, and a hearing with the Associate Administrator for the Office of Disaster Assistance (ODA) James Rivera on July 1, 2020 to hear the challenges ODA faced in implementing an expanded EIDL program and in standing up a new EIDL Advance program. This included a need to rapidly increase staff to manage the unprecedented demand for EIDLs and retain a contractor to assist with processing and evaluating COVID-19 EIDLs.

On June 9, 2020, Chairwoman Nydia M. Velázquez and Ranking Member Steve Chabot sent SBA Administrator Jovita Carranza a letter expressing concerns over ODA's implementation of the EIDL and Advance programs, including an agency-imposed cap on EIDL amounts at \$150,000, as well as concerns some EIDL applicants shared with the Committee regarding SBA's customer service. The June 9 letter also included 14 interrogatories (including all discrete subparts) addressed to the agency. Moreover, on July 31, 2020, Chairwoman Velázquez and Subcommittee on Investigations, Oversight, and Regulations Chairwoman Judy Chu sent Administrator Carranza a letter requesting a briefing on SBA's response to the findings in the Office of Inspector General's (OIG) report identifying potential fraud in the EIDL program. The staff briefing was held in early August 2020.

Subpart 2—Oversight of SBA and other Federal Entrepreneurial Development Programs

GENERAL ENTREPRENEURIAL DEVELOPMENT PROGRAMS

The SBA offers a wide range of free or low-cost counseling and training services through its entrepreneurial development ecosystem to help entrepreneurs launch and grow their small businesses. To deliver these resources, the SBA relies on its four primary resource partners: Small Business Development Centers (SBDCs), Women's Business Centers (WBCs), SCORE, and Veterans Business Outreach Centers (VBOCs). During the 116th Congress, the Committee focused its oversight efforts on ensuring these programs were operating effectively in creating jobs at startups and traditional firms, meeting the needs of underserved populations, and using taxpayers' dollars responsibly.

On February 27, 2019 the Committee held a hearing with representatives from the SBDC, WBC, SCORE, and VBOC programs to learn how these programs could be improved and strengthened through reauthorization. Following the hearing, the Committee worked with Representative Jared Golden on H.R. 4406, the "Small Business Development Center Improvement Act" to reauthorize the SBDC program for four years, allow for the promotion and advertisement of the program, and strengthen oversight through an annual report to Congress. The Committee also worked with Representative Sharice Davids on H.R. 4405, the "Women's Business Center Improvement Act" to reauthorize the WBC program for four years, create an accreditation program for WBCs, and require annual reports to Congress. Lastly, the Committee worked with Representative Bradley Schneider on H.R. 3537, the "Veterans Entre-

preneurship Act,” to codify the Boots to Business program at VBOC for 5 years. These bills were marked up in committee and passed the House in the 116th Congress but were not considered in the Senate.

On July 11, 2019 the Subcommittee on Investigations, Oversight, and Regulations held a hearing to examine the SBA Office of Inspector General’s (OIG) April 25, 2019 report on the SCORE Program. Mr. Hannibal Ware, the Inspector General of SBA and Mr. Allen Gutierrez, Associate Administrator of the Office of Entrepreneurial Development Associate testified before the Committee. The report found that SBA did not effectively oversee SCORE’s use of federal funds and that SBA’s ability to detect fraud, waste, and abuse in the program was hampered. As a result, the Committee worked with Representative Kevin Hern on H.R. 4407, the “SCORE for Small Business Act of 2019,” that created safeguards for SCORE’s use of government funds and brought the program in line with Federal operating standards. H.R. 4407 passed the House on October 21, 2019 but was not considered in the Senate. Since the July 11th hearing, SCORE has independently closed the recommendations from the OIG report, changed leadership, and worked to restore public faith in the organization.

A major priority of the Committee has been to investigate and expand access to SBA’s entrepreneurial development services to underserved communities across the country. On April 30, 2019 the Subcommittee on Investigations, Oversight, and Regulations held a hearing to discuss SBA’s relationship with HBCUs. Following the hearing, Chairwoman Velázquez, Subcommittee Ranking Member Spano, Subcommittee Chairwoman Chu, Alma Adams, and Vice-Chair Dwight Evans sent a letter to SBA’s Associate Administrator of Entrepreneurial Development, Allen Gutierrez, inquiring how SBA plans to meet recommendations from GAO’s report (GAO–20–41), fulfill the promises from his April 30th testimony, and strengthen SBA’s relationship with HBCUs.

Similarly, the Subcommittee on Investigations, Oversight, and Regulations held a field hearing on November 8, 2019 to determine how the federal government can better assist immigrant entrepreneurs and small business owners. In addition, the Committee held a hearing on October 23, 2019 on expanding entrepreneurial development services to the incarcerated and formerly incarcerated. This hearing led to the development and passage of H.R. 5078, the “Prison to Proprietorship Act,” with Chairwoman Nydia Velázquez, and H.R. 5065, “Prison to Proprietorship for the Formerly Incarcerated Act” with Representative Hakeem Jeffries. These bills would provide entrepreneurial development counseling and training to individuals currently incarcerated and recently released from prison. H.R. 5078 and H.R. 5065 were not considered by the Senate.

PANDEMIC RELATED PROGRAMS

On January 30, 2020, The World Health Organization (WHO) declared a global health emergency over COVID–19. In response to the widespread disruption to public health, the economy, and small businesses particularly, Congress created and passed the CARES Act to respond to the effects of the pandemic. The CARES Act was signed into law on March 27, 2020 and the Committee has been ac-

tively engaged in oversight of its programs since enactment. Specifically, the Committee has overseen the implementation of the increased funding for SBA's SBDCs, WBCs, their Associations, and Minority Business Development Centers (MBDCs) and the implementation of SBA language services.

On May 7, 2020, the Committee held a virtual forum with representatives from SBA's Resource Partners, the SBDCs, WBCs, SCORE, VBOCs, and Treasury's MBDC program. The SBDCs and WBCs received additional funding through the CARES Act to provide virtual counseling and training services and to tailor their curriculums to the challenges small businesses face during the mandatory shutdowns and pandemic life. The forum provided an opportunity for the Committee to perform oversight on the disbursement of funds and SBA's engagement with the Resource Partners to meet the challenges facing counselors and the communities they serve across the nation.

On May 28, 2020, the Subcommittee on Contracting and Infrastructure held a virtual forum on how Congress can leverage the SBDC network to help small businesses recover from the pandemic. At this forum, members learned of the vast array of services SBDCs can provide small businesses and entrepreneurs including services tailored to the COVID-19 pandemic. In addition, members learned of the importance of SBDCs being able to use CARES Act funds to market their services to reach as many small business owners and entrepreneurs as possible.

In addition to virtual forums, the Subcommittee on Investigations, Oversight, and Regulations Chairwoman Judy Chu and Small Business Committee Chairwoman Nydia Velázquez led 72 Members in a letter to SBA Administrator Carranza regarding the language services implementation as required in Section 1110 of the CARES Act. The letter detailed the Committee's concerns that SBA was slow to provide the necessary documents and materials in the 10 most common languages other than English including, Mandarin, Cantonese, Japanese, and Korean. The Committee has not received a response but SBA has updated their website with CARES Act program application forms, application instructions, and FAQs in the required languages.

Subpart 3—Oversight of Federal Government Contracting

One of the core functions of SBA is to ensure that a fair proportion of contracts and subcontracts are placed with small businesses. To accomplish this mission, SBA has a wide range of contracting programs and supporting resources that strive to level the playing field and grant small businesses access to the federal procurement space. During the 116th Congress, the Small Business Committee focused its oversight activities on ensuring these programs and resources are implemented in accordance with the statute and free from fraud and abuse.

On March 26, 2019, the Committee held a hearing to examine SBA's delay in carrying out the Small Business Runway Extension Act (Runway Act) and possible measures to expedite its implementation. Following the hearing, on April 4, 2019, Congresswoman Nydia Velázquez, in conjunction with Ranking Member Chabot, Representative Golden and Representative Stauber sent a letter to

SBA's Administrator, Linda McMahon, to request information on the agency's progress and request a timeline for issuing regulations to implement the legislation. The Committee also worked with Representative Stauber on H.R. 2345, the "Clarifying the Small Business Runway Extension Act," which sought to ensure the swift implementation of the Runway Act. H.R. 2345 passed the House on July 15, 2019. However, it was not enacted into law as SBA ultimately adopted rules to address the matter.

Similarly, on May 16, 2019, the Committee held a hearing to discuss GAO's latest report regarding the Women Owned Small Business (WOSB) Contracting Program and SBA's lack of implementation of a formal WOSB certification, as required by the National Defense Authorization Act for Fiscal Year 2015. On June 19, 2019, the Committee sent a bipartisan letter to the former Associate Administrator of the Office of Government Contracting and Business Development, Mr. Wong, requesting SBA's timelines and plans to implement the formal certification process. Subsequent oversight efforts on this topic include a management review hearing hosted by the Committee on September 15, 2020 where the new Associate Administrator for GCBDB, Dr. Spampinato, had an opportunity to testify as to the status of the WOSB certification process, the current state of the 8(a) and HUBZone programs and the overall participation of small businesses in federal contracts and subcontracts.

Eradicating fraud and abuse has been a longstanding oversight priority for the Committee. On October 22, 2019, the Committee held a hearing focused on GAO's reports detailing SBA's weaknesses in the management of the 8(a) program as it relates to native-owned small business. The hearing also addressed concerns of ineligible firms being certified into the program. On January 24, 2020 the Committee sent a letter to GAO requesting additional work in these areas and the report is currently underway.

The Committee has also engaged in oversight efforts to guarantee resources, such as contracting personnel, are available to assist small businesses. On November 5, 2019, the Committee sent a bipartisan letter to the Director of the Defense Logistics Agency, Mr. Williams, to inquire about the agency's non-compliance with requirements of the Office of Small and Disadvantaged Business Utilization (OSDBU). Likewise, on August 12, 2020, Chairwoman Velázquez sent a letter to SBA referencing the findings of a recently published GAO report on procurement center representatives (PCRs) and requesting additional information as to the limited number of PCRs and efforts to fill available positions or to increase them.

Finally, the Committee has performed its oversight function through legislation. For example, H.R. 226 the "Clarity on Small Business Participation in Category Management Act of 2019" institutes a reporting requirement to understand the level of participation of small businesses in "Best In Class" contracting vehicles, which in turn will help measure the impact of category management on small businesses and federal procurement opportunities. H.R. 226 became law on December 20, 2019, through its incorporation in S. 1790, the National Defense Authorization Act of 2019. Furthermore, given the importance of cash flow to small businesses particularly amid the COVID-19 pandemic, the Committee worked

with Representative Crow on H.R. 7342, the “Federal Small Businesses Contractor Prompt Payment Reporting Act.” H.R. 7342 requires federal agencies to report to Congress on the timeliness of payments to prime contractors who are small businesses or have small businesses as subcontractors, including the date in which agencies started accelerating payments (with a goal of paying in 15 days after the submission of a proper invoice) in accordance with 10 U.S.C. 2307(a)(2) and 31 U.S.C. 3903(a)(10)–(11). H.R. 7342 was introduced on June 25, 2020 and included in H.R. 6395, the “William M. Mac Thornberry National Authorization Defense Act for Fiscal Year 2021.” H.R. 6395 passed the House on July 21, 2020 by a vote of 295–125 (Roll Call 152) and placed on the Senate Legislative Calendar on August 5, 2020.

Subpart 4—Oversight of SBA Management

The Committee actively oversees the management of the Small Business Administration through hearings, letters, and meetings with agency officials and industry representatives.

A primary concern for the Committee is to ensure that adequate levels of funding are available to fully implement SBA programs. The Small Business Administration assists small businesses through business loans, loan guarantees, counseling, and contracting preferences. To deliver these programs and services throughout the country, SBA relies largely on a network of 68 district offices located across the United States and its territories. The Committee held a management review hearing on the Office of Field Operations, in which Mr. Michael A. Vallante, the Associate Administrator of the Office of Field Operations, testified about the Office’s organizational structure and performance. Members learned the aggregate number of Full Time Equivalents (FTE) employees in district and regional offices decreased from 813 in FY 2014 to 687 in FY 2019. To ensure the agency meets its mission to serve small businesses throughout the nation and deliver high quality services to the small business community, the Committee recommended that funding be dedicated to the Office of Field Operations in “the Views and Estimates of the Committee on Small Business on Matters to be set forth in the Concurrent Resolution on the Budget for Fiscal Year 2021.” The letter was approved in a full Committee mark-up on March 4, 2021.

The Committee also rejected the Administration’s steep cuts to SBA’s resource partner network, comprised of Small Business Development Centers (SBDCs), Women’s Business Centers (WBC), SCORE chapters, and Veterans Business Outreach Centers (VBOCs). In the Views and Estimates letters for FY 2020 and FY 2021, the Committee advocated for robust levels of funding for the counseling and training programs to support small businesses. Moreover, on February 26, 2020, the Committee held a hearing on the Small Business Committee’s Budget for FY 2021. The newly confirmed Administrator, Jovita Carranza testified before the Committee in which concerns were raised over the level of funding for district offices, as well as the steep cuts to the Entrepreneurial Development programs.

On October 11, 2019, the Inspector General released its report on the most serious management and performance challenges facing

the Small Business Administration in fiscal year 2020. On October the Committee held an oversight hearing to examine the management and performance challenges identified in the OIG's FY 2020 report and discuss SBA's efforts to address these challenges.

The Committee has also been concerned the SBA has implemented unproven pilot programs that lack an authorization and robust controls. To that end, on September 19, 2019, the Subcommittee on Innovation and Workforce Development held a hearing to evaluate the Growth Accelerator Fund Competition (GAFC), a pilot program that provides \$50,000 awards to accelerators to give early-stage entrepreneurs opportunities to immerse themselves in intense learning. At the hearing, witnesses testified that SBA's GAFC spurred economic development and helped to create jobs. Moreover, the pilot program fills geographic gaps by supporting the development of accelerators and their startups in regions of the country where there are fewer sources of capital. On October 17, 2019, the Committee reported H.R. 4387, legislation to establish a Growth Accelerator Program at the Small Business Administration and develop metrics to further evaluate the effectiveness of the program. The legislation was approved by the House of Representatives on October 21, 2019, however the Senate did not consider the measure.

Throughout the Congress, the Committee also held a number of management review hearings to evaluate budgetary requests, financial management, and reporting goals in each of the offices at SBA. The respective Associate Administrator from each department testified before the Committee at these hearings, which are detailed in Subparts A and B above. Moreover, Committee staff met regularly with Associate Administrators and other SBA employees to conduct oversight.

Subpart 5—Oversight of Federal Regulatory and Paperwork Burdens

The Committee continues to prioritize oversight of federal agency regulations and paperwork requirements to ensure small businesses are not unduly burdened. On July 21, 2019, the Subcommittee on Economic Growth, Tax, and Capital Access held a field hearing in Tulsa, Oklahoma to examine the small business regulatory landscape and how it affects their ability to operate their businesses. This hearing allowed Members to learn of opportunities to reduce burdensome regulations and paperwork, as well as, hear which regulations work for small businesses and entrepreneurs.

Legislatively, the Committee worked with Representative Antonio Delgado to advance H.R. 2142, which would require the SBA and Agriculture Regulatory Enforcement Ombudsman (Ombudsman) to create a centralized website for regulatory compliance guides. H.R. 2142 would reduce the administrative burden on small businesses by consolidating necessary regulatory information in one place. In addition, H.R. 2142 requires the Ombudsman to report to Congress on federal agencies' compliance with the Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA). H.R. 2142 passed the House on July 15, 2019 but was not considered in the Senate.

As part of its ongoing oversight efforts, the Committee continued to monitor federal agencies compliance with the SBREFA, which requires agencies to report to Congress annually on small entity compliance guides that are required for every final rule that has a significant impact on a substantial number of small entities under the Regulatory Flexibility Act.

Subpart 6—Oversight of Federal Tax Policy

During the 116th Congress, the Committee conducted hearings and investigations into the tax code and its impact on small businesses. Specifically, the Committee conducted a hearing on July 24, 2019 focused on how the Tax Cuts and Jobs Act (TCJA) failed to deliver on its promises for most Main Street small businesses. The Committee conducted a hearing on March 3rd, 2020 regarding the impact of the 2018 U.S. Supreme Court decision in *South Dakota v. Wayfair, Inc.* regarding state sales and use taxes and tax compliance. Following the Wayfair hearing Representative Andy Kim—Chairman of the Economic Growth, Tax and Capital Access subcommittee—sent a letter in October 2020 to the Government Accountability Office (GAO) requesting an update on a 2017 report that estimated revenue and compliance costs related to interstate sales and use taxes for states and businesses. Additionally, the Committee held a hearing on March 27, 2019 examining retirement plan options for small businesses and the barriers small business owners face in saving for retirement. Finally, the Committee examined the impact of COVID-19 on small businesses and tax policy via the implementation of the Employee Retention Tax Credit (ERTC) and the Paycheck Protection Program (PPP).

Subpart 7—Oversight of Health Care Policy

During the 116th Congress, the Committee on Small Business conducted hearings and oversight analyzing federal health care policy, focusing on small, physician-owned medical practices and their ability to better service patients. That included a hearing on June 12, 2019 covering how increasing student loan debt is a barrier to entry for young doctors starting new firms, especially in underserved areas of the country. The Committee also held hearings on ways to reducing administrative burdens for small medical practices. Following a hearing on September 11, 2019 on prior authorization, a method used by health insurance companies to slow down the ability for doctors to serve their patients, members of the committee led letters on the issue. The first was to Ways and Means October 21st, 2019, pushing for the passage of H.R. 3107, Improving Seniors' timely Access to Care Act of 2019, and the second led by Representative Davids on May 4, 2020 to CMS encouraging changes to Medicare Advantage regulations in the midst of the COVID-19 pandemic. The Committee also conducted a hearing analyzing the connections between public health and small businesses in its first hearing on the COVID-19 pandemic, primarily focused on industries such as travel and dining, especially in Asian-American communities.

Subpart 8—Oversight of Energy Policy

During the 116th Congress, the Committee on the Small Business conducted hearings and oversight detailing how small businesses are involved in the clean energy economy, reducing emissions, increasing efficiencies while creating jobs in the United States. On September 6, 2019 the Committee held a hearing on the diverse ways small businesses are engaged in the growing the clean energy economy. This included the importance of tax incentives for renewable energy, energy efficiency, and clean transportation technologies and outlined the importance that biofuels production has in rural America. The Committee also provided input to the House Select Committee on the Climate Crisis on ways that the Small Business Administration can be supportive of small businesses seeking to adopt energy efficiency and renewable energy systems. Representative Finkenauer, the Chair of the Small Business Committee Subcommittee on Rural Development, Agriculture, Trade, and Entrepreneurship wrote a letter to the Administration on biofuels issues and the renewable fuel standards on June 8, 2020. The letter pushed back against waivers provided by the Administration that impacted the production and use of renewable biofuels under the federal Renewable Fuel Standard.

Subpart 9—Oversight of Trade and Intellectual Property Policy

Trade

The State Trade Expansion Program (STEP) aims to increase the number of small businesses that export and raise the value of existing small business exporters. The SBA Associate Administrator of the Office of International Trade is responsible for overseeing the program and awards matching funds to states and territories for participation in trade missions, international marketing efforts, workshops, export trade show exhibits, and other promotional activities.

In the 116th Congress, the Committee worked to ensure the STEP program meets the needs of its participants and expands access to export markets across the country, in preparation for the reauthorization of the program. On March 12, 2019, the Subcommittee on Rural Development, Agriculture, Trade, and Entrepreneurship held a hearing with the Government Accountability Office (GAO) and SBA Office of Inspector General (OIG) to discuss the challenges facing the STEP program. In addition, on June 11, 2019, the Subcommittee held a hearing on the states' perspectives of the STEP program, where they heard from state representatives and small business participants. These hearings allowed Subcommittee members to understand the challenges facing the program from multiple perspectives.

This oversight work culminated in the Committee working with Representative Abby Finkenauer on H.R. 6133, the STEP Improvement Act. H.R. 6133 would reauthorize the program through Fiscal Year 2024, streamline the application process, increase grant flexibility, and improve the communication between the SBA and state awardees. H.R. 6133 was passed by the House on September 14, 2020 but not considered in the Senate.

In addition to the STEP program, the Committee also held a roundtable on February 12, 2020 with representatives from SBA's SBDC program. One of the panels of the roundtable focused on how the Committee can continue to prioritize small business exports and how imperative they are to small business growth.

Intellectual Property

During the 116th Congress, the Committee on Small Business conducted hearings and oversight facing entrepreneurs, start-ups, and small businesses regarding patents, trademarks, and copyrights. On January 19, 2020, the Committee held a hearing on the Inventor Diversity for Economic Advancement (IDEA) Act which would require the Patent Trade Office (PTO) to collect demographic data, reflecting the data categories collected in the SUCCESS Act from patent applicants on a voluntary basis. The Committee heard testimony that lack of diversity in the innovation process is hindering the economy and one way to combat this is to collect demographic data to create more understanding and equity in the innovation ecosystem.

The Committee also held a roundtable on July 25, 2019 regarding issues that women entrepreneurs face in the technology industry. Members of the Committee heard about ways to integrate more women into venture capital (VC) and developing resources to create pipeline of future female tech founders.

Subpart 10—Oversight of Agriculture

During the 116th Congress, the Committee on Small Business conducted hearings and oversight on the important role small businesses play in the agriculture sector of the economy. Small businesses are engaged in a wide range of farm and food related activities as producers, distributors, and retailers domestically and in the international market. The Small Business Committee conducted a hearing on opportunities provided by advances in agricultural technology in rural economies on January 9, 2020. The Committee heard the concerns, challenges, and ways to supporting the next generation of farmers at a hearing on July 25, 2019. The Committee also held hearing on Sept. 30, 2020 analyzing how COVID-19 is impacting our nation's farmers and small businesses engaged in our food systems.

The Committee also held a hearing on November 14, 2019 with officials from both USDA and SBA to discuss the memorandum of understanding between the agencies, the challenges facing rural businesses, and how the agencies can coordinate to best serve rural entrepreneurs and small businesses. In addition to these impactful hearings, the Small Business Committee analyzed trade policies by the Trump Administration and its impact on small farm businesses.

Chairwoman Nydia Velázquez (NY-07) and members of the Committee sent a letter to the Administration on the impacts that trade wars and tariffs were having on small businesses on January 17, 2020. Congresswoman Abby Finkenauer (IA-01), joined by other members of the Committee, wrote letters to the SBA Administrator about the Office of Rural Affairs on December 13, 2019 and April 30, 2020. Congressman Antonio Delgado (NY-19) and other mem-

bers of the Committee engaged with the Administration on small agriculture businesses access to COVID-19 relief programs, sending a letter on April 2, 2020.

Subpart 11—Oversight of Technology and Innovation Policy

During the 116th Congress, the Committee on Small Business conducted hearings and oversight facing entrepreneurs on the importance of innovation, entrepreneurship, and how small businesses are utilizing digital platforms to start and grow businesses. The Committee held a hearing with representatives from the “Big Tech” companies on November 14, 2019 regarding the opportunities and challenges online platforms such as Amazon and Google pose for entrepreneurs and small firms. The Committee also held several hearings on the importance of reliable and affordable broadband service is to the success of small businesses, especially in rural and underserved markets. One issue in particular addressed by the Committee, at a hearing on June 25, 2019, was on the importance of accurate broadband maps in closing the digital divide.

The Committee also addressed how lack of access to broadband is impacting health care in rural communities during COVID-19. Representative Crow led a letter on May 6, 2020 to the Federal Communications FCC inquiring about how the FCC was operating its COVID-19 Telehealth Portal which allows healthcare providers to apply for reimbursements for costs they incur for telehealth services.

During the 116th Congress, the Committee conducted oversight on SBA’s efforts to modernize its legacy technology systems. The Committee learned that several projects the SBA started were not completed, most importantly, Certify.gov. The Committee also examined the systems used to implement the Paycheck Protection Program and Economic Injury Disaster Loan programs, focusing on system crashes, SBA’s reliance on outdated systems, and SBA’s plans to replace these systems.

To that end, the Committee held two hearings, the first was held on July 22, 2020 with SBA’s Deputy CIO, Mr. Guy Cavallo, focused on IT modernization efforts at the SBA over the past few years. The second hearing was held on September 24, 2020 with SBA’s Chief of Staff and Associate Administrator for the Office of Capital Access, Mr. Bill Manger, which focused on the technical concerns that arose during the PPP and EIDL programs. On September 16, 2020 Representative Jared Golden, Chair of the Subcommittee on Contracting and Infrastructure also sent a letter to SBA regarding the Certify.gov project: the questions centered on the cost of the project, why it was halted, and a timeline for the completion of the new Certify.gov system.

Subpart 12—Oversight of Veterans’ Entrepreneurship Policy

The Committee continues to oversee and foster veteran entrepreneurship through contracting, entrepreneurial development, and loan guaranty programs that assist service members transitioning to civilian life. On July 10, 2019, the Committee held a hearing titled: “Continuing to Serve: Military to Entrepreneurship,” which fo-

cused on the role of veteran entrepreneurs in growing the economy and examined legislative efforts to foster veteran entrepreneurship. Following the hearing, on July 17, 2019, the Committee marked up four bills aimed to strengthen SBA's veteran programs.

Entrepreneurial Development

Every year, more than 200,000 servicemembers make the transition from military to civilian life. Transition assistance is critical to ensure that those who serve in the military have opportunities for meaningful employment. The National Defense Authorization Act of Fiscal Year 2019 requires servicemembers participating in TAP to enroll in one of three capstone classes, which include: Accessing Higher Education, Career and Technical Training, and Entrepreneurship (Boots to Business). In order to continue to support veteran entrepreneurs, the Committee worked with Representative Bradley Schneider on H.R. 3537, the "Veteran Entrepreneurship Training Act of 2019". H.R. 3537 amends the Small Business Act to codify the Boots to Business program for five years.

In addition, the Committee worked with Representative Sharice Davids on H.R. 3734, "The Successful Entrepreneurship for Reservists and Veterans Act". H.R. 3734 requires the Interagency Task Force for Small Business Development to annually report to Congress on the task force appointments and to identify and outline a plan for outreach and promotion of veterans' programs at SBA. H.R. 3734 also requires a GAO report to Congress on the credit issues related to veterans, ensuring Congress is apprised of issues facing the veteran community on a regular basis.

These bills were marked up on July 17, 2019 by the Committee and passed the House in the 116th Congress but were not considered in the Senate.

Federal Contracting

In the 116th Congress, the Committee also focused its efforts on harmonizing and ensuring consistency between two distinct federal contracting programs for veterans. The Committee worked with Representative Trent Kelly on H.R. 1615, the "Verification Alignment and Service-Disabled Business Adjustment Act." H.R. 1615, institutes a formal certification process for SBA's Service-Disabled Veteran-Owned Small Business Contracting Program and transfers to the SBA the responsibility of certifying veteran-owned small businesses participating in the Department of Veterans Affairs contracting program.

In addition, the Committee worked with Ranking Member Chabot on H.R. 499, the "Service-Disabled Veterans Small Business Continuation Act". H.R. 499 provides parity in the treatment of surviving spouses to these two contracting programs.

H.R. 1615, as amended, was marked up in Committee, passed the House, and was included in H.R. 6395, the National Defense Authorization Act for Fiscal Year 2021. H.R. 6395 passed the House but was not considered in the Senate. Similarly, H.R. 499 was marked up in Committee and passed the House in the 116th Congress but was not considered in the Senate.

Access to Capital

Access to capital remains a significant barrier to veteran entrepreneurship and an oversight priority of the Committee. On February 7, 2019, the Subcommittee on Economic Growth, Tax, and Capital Access held a hearing to assess the challenges faced by underserved businesses, including those owned by veterans. During that hearing, Subcommittee Members heard about a change in the language of the Small Business Act that would increase the eligibility of military—focused SBA programs to those who have “[been] ordered to perform active—duty service for more than 30 consecutive days,” which would include National Guard and Reserve members.

Following the hearing, the Committee worked with Representative Andy Kim on H.R. 3661, the “Patriotic Employer Protection Act”. H.R. 3661 makes the aforementioned change to SBA’s Military Reservist Economic Injury Disaster Loan (MREIDL) and Repayment Deferral programs, broadening the pool of servicemembers and reservists eligible for the MREIDL and Repayment Deferral programs. H.R. 3661 was marked up in Committee and passed the House in the 116th Congress but was not considered in the Senate.

Subpart 13—Oversight of Labor and Workforce Policy

During the 116th Congress, the Committee on Small Business conducted hearings and oversight to analyze the workforce needs of small businesses often through the lens of workforce development programs. On September 11, 2019 the Committee held a hearing analyzing policies that can upskill the medical services sector. The Committee also examined the importance of local workforce boards under the Workforce Innovation and Opportunity Act and Community Colleges for workforce training in the recovery from the COVID–19 pandemic. The Committee also conducted a field hearing in Colorado on November 22, 2019 on innovations in the education system that are creating a pipeline of highly skilled workers for small businesses using new training methods for high school and college students.